

Fighting erupts at Zagreb airport

BELGRADE (R) — Fighting erupted between the Yugoslav army and rebel Croatian forces at Zagreb airport on Saturday after a Ugandan airliner carrying a weapons shipment was forced to land there, Belgrade television said. The international airport was closed after Croatian police also attacked its traffic control centre, the report added. Tanjug news agency said Croatian forces had occupied all approaches to the airport southeast of the breakaway republic's capital. Tanjug's account said the Croatians attacked the military sector of the airport and fired mortars in an attempt to destroy the Boeing 707 owned by Uganda Airlines. A Croatian spokesman said a police car was hit and set on fire during the fighting and it was thought casualties occurred. The Boeing was under federal guard after being forced to land by the Yugoslav air force during a flight from Uganda to the Yugoslav republic of Slovenia, which declared its independence at the same time as Croatia on June 25. Tanjug said the aircraft was carrying 19 tonnes of weapons including rifles and rifle-launched grenades. A Tupolev 154 belonging to the Romanian Airline Tarom and carrying 20 passengers was forced to land at Zagreb airport Saturday. (See page 8 for details.)

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Kuwait departs 217 Arabs

AMMAN (Petra) — The Kuwaiti authorities Saturday deported 217 Arab nationals, including 35 Jordanians, according to the Iraqi News Agency. The agency said the International Committee of the Red Cross received the deportees who also included Iraqis, Yemenis and Arabs without nationality.

U.N. chemical weapons team arrives in Iraq

BAGHDAD (R) — A team of U.N. inspectors arrived in Baghdad Saturday to examine Iraq's chemical weapons capability and prepare for its destruction under the terms of the Gulf war ceasefire. The 12-man team, led by American James Knap, declined to comment to reporters before meeting officials. The team, expected to stay in Iraq about a week, is the third of its kind to visit the country under the ceasefire agreement, which orders Baghdad to declare and destroy all its weapons of mass destruction. Teams have also made visits to hunt for nuclear and biological weapons and ballistic missiles.

Kuwaitis to inspect planes in Iran

NICOSIA (R) — A Kuwait Airways technical team flew to Tehran Saturday to examine six Kuwaiti Airbus planes seized by Iraq and later flown to Iran during the Gulf war, the Oman News Agency said. The agency said the team would spend several days checking the condition of the aircraft, which Iran has promised to return.

De Gaulle's war minister dies

PARIS (R) — Pierre Guillaumat, war minister under the late President Charles de Gaulle and subsequently founder of the French oil company ELF-Aquitaine, has died, his family said. He was 82. Mr. Guillaumat, who died Wednesday, was decorated for his role in the French resistance during World War II and went on to serve as Mr. De Gaulle's war minister from 1958-1960. Mr. Guillaumat went on to head several major companies, proving himself to be a rigorous and demanding manager. Finally, he founded ELF Aquitaine in 1965 and served as its chairman for 12 years. ELF, one of France's leading companies, is now under state control.

Egypt arrests bomb-making group

CAIRO (R) — Egyptian police Saturday arrested seven Muslim fundamentalist bomb-makers after one accidentally blew himself up, an Interior Ministry official said. "The seven were arrested after a bomb blew up in a field and one of them was taken to hospital with severe injuries," the official said. The Middle East News Agency said hospital doctors in the oasis town of Fayyum told police that Aid Abdul Tawab Tawfik, a 30-year-old peasant, was being treated for blast injuries. After interrogating Mr. Tawfik, police arrested six others who used his field to make bombs and petrol bombs, the agency said. Mr. Tawfik's condition was not immediately known. Fayyum, 105 kilometres south of Cairo, is a centre for Muslim fundamentalist groups.

'Major dresses to bore'

LONDON (R) — British Prime Minister John Major received a vote of no confidence Sunday from fashion experts who said he dressed like an old man. "There's certainly nothing prime about his clothes," menswear retailers in the British Shops and Stores Association said in a statement. "His clothes are a complete bore and it's a wonder he didn't keep his suit on to go fishing with (U.S.) President (George) Bush this week." The 1,500 retailers said Mr. Major, 48, who favours sober grey suits, set an appalling fashion example. They voted world middleweight boxing champion Chris Eubank Britain's best-dressed man.

Central Asian republics join independence spree

Combined agency despatches

UZBEKISTAN AND KIRGIZIA declared independence on Saturday, raising to 10 the number of republics that have declared themselves to be no longer bound by Soviet authority. In Lithuania and Latvia, the elite Soviet "Black Beret" troops began withdrawing.

Two weeks after the Aug. 18-21 coup against Mikhail S. Gorbachev began, the Soviet Union has seen an upheaval unmatched since the Bolshevik revolution of 1917: Communist Party hardliners deposed Mr. Gorbachev only to falter three days later.

Russian Federation President Boris Yeltsin's authority grew tremendously as he stood up to the leaders of the putsch; Mr. Gorbachev quit as leader of the party because of its deep involvement in the coup, and party activities were shut down nationwide.

The republics took advantage of the disorder to assert their independence.

The Supreme Soviet legislature Saturday created a parliamentary commission to investigate the circumstances and reasons for the coup.

The winds of political change swept Saturday into the conservative republics of Central Asia, where legislatures of Uzbekistan and Kirgizia convened in emergency sessions and declared independence.

And Tadjikistan President Kakhkar Makhkamov resigned Saturday after the legislature passed a vote of no-confidence in him for not vigorously opposing the coup. According to TASS, 124 of the 172 deputies voted for him to step down.

A new president will be elected Oct. 27, but the news agency did not say whether it will be a popular election or a vote in the legislature.

In a further slap at Kremlin authority, lawmakers also voted to change the official name of the republic from the "Tadjik Soviet Socialist Republic" to simply "the Republic of Tadjikistan."

Tadjikistan borders Uzbekistan and Kirgizia, which themselves border Afghanistan and China.

At the parliament session in Tashkent, Uzbek President Islam Karimov, emphasised that Uzbekistan is not categorically rejecting the union treaty — the document Mr. Gorbachev had hoped would bind the country together — but it must establish a confederation of sovereign states.

Mr. Karimov warned a resurgent Russia not to bully the smaller republics.

He noted the role that Mr. Yeltsin and other Russian leaders played in eliminating the coup. "Nevertheless, we think it gives them no grounds for claiming a leading position in the union, placing themselves above other republics," Interfax quoted

him as saying. "The leadership of Uzbekistan will never agree to a secondary role."

Mr. Yeltsin Friday signed up Kazakhstan and turned to the Baltics in his bid to form an economic-military alliance among seceding republics. On Thursday, he struck a similar treaty with the Ukraine.

Ten of the 15 republics have now declared independence — including eight since last week's failed coup. They are Uzbekistan, Kirgizia, Azerbaijan, the Ukraine, Georgia, Moldavia and Byelorussia, and the Baltic republics of Latvia, Lithuania and Estonia.

The pullout of commando units of the Soviet interior ministry troops known as the "Black Berets" began Saturday in Lithuania and Latvia.

A convoy of 14 vehicles snaked out of a military base near the Latvian capital of Riga. Many of the 160-man force and some of their families had been staying inside the base, fearing reprisals since the failure of the coup.

The first 47 of 84 commandos left the Lithuanian capital of Vilnius, said parliamentary spokesman Andrius Zabulis. The rest were expected to be gone by Sunday.

The pullout occurred after explosions and shooting were heard inside the Soviet military base where the commandos were garrisoned, but there were no re-

(Continued on page 5)

U.N. team to probe Bubiyan incident

KUWAIT CITY (Agencies) — The U.N. Iraq-Kuwait Observer Mission (UNIKOM) Saturday formed a three-man committee to investigate a shootout on Bubiyan Island involving Kuwaiti troops and alleged Iraqi infiltrators, a UNIKOM spokesman said.

He said UNIKOM commander Major General Guntter Grindl picked high-ranking Irish, U.S. and Indian officers for the task after talks with Iraq's naval commander and Kuwaiti officials earlier in the day.

"UNIKOM has been given the full cooperation of both parties," said the spokesman. "The observers can go anywhere and interview anybody, including prisoners should there be any."

"Our investigation is going to be detailed and thorough," added the spokesman.

Gen. Grindl cut short a working trip to Iraq, where UNIKOM has a liaison office, to investigate Wednesday's incident. He inspected Bubiyan and then conferred with the Iraqis.

Kuwait complained to the United Nations Security Council on

Wednesday that 80 Iraqis backed by naval vessels had landed on Bubiyan, long claimed by Baghdad.

It said its coastguard and air force destroyed vessels while the other fled and more than 40 Iraqis were arrested.

Western security sources in Kuwait said coastguards stopped five fishing boats and found they were carrying ammunition from the island left over from the Gulf war.

They said gunboats and speedboats tried to cover the fishing vessels' retreat but the Kuwaiti air force engaged the gunboats and at least one was sunk.

UNIKOM patrols the demilitarized zone along the Kuwait-Iraq border but has no observation posts on Bubiyan.

Britain called the incident the most serious violation so far of the Gulf war ceasefire. The United States said Friday it had also protested at the incident, calling it part of a pattern of Iraqi ceasefire violations.

A State Department spokes-

(Continued on page 5)

2 prominent Shiites quit Hrawi's cabinet

NABATIYEH, Lebanon (Agencies) — Two prominent Shiite Muslim ministers resigned from Lebanon's national unity government Saturday, delaying a blow to President Elias Hrawi's national reconciliation drive.

State Minister Nabil Berri told an estimated 20,000 supporters in this southern market town that he and Housing Minister Mohammad Baydoun were quitting.

Shiite leaders have denounced the government for sending a delegation led by Prime Minister Omar Karami to the inauguration of a huge water project in Libya. One of their spiritual leaders disappeared in Libya 13 years ago.

Mr. Berri heads the pro-Syrian Shiite Amal militia. Mr. Baydoun is a senior member of the group's leadership.

"I announce in the name of Amal movement, in my name and the name of brother Mohammad Baydoun. We are not part of this government and this government is not part of us," Mr. Berri said.

"We are not willing to be false witnesses in this government," he

added. "We announce our resignation... they have wanted the case of Imam Sadr."

Shiite religious leader Imam Musa Sadr disappeared in August 1978 while visiting Libya at the invitation of its leader Muammar Qadhafi.

Libya said Imam Sadr had left for Italy, but the Italian authorities said he had never arrived. Amal accuses Libya of holding Imam Sadr for undeclared reasons.

There are four other Shiite ministers in Mr. Hrawi's cabinet. If they also resigned it would strip the government of Shiite backing.

The 1.2 million Shiites are the largest sect in Lebanon which has a population of four million.

Mr. Hrawi formed the 30-man half Muslim-half Christian government under Mr. Karami on Dec. 24 with the declared objective of ending 15 years of civil war that has claimed 150,000 lives.

Mr. Berri announced Thursday that he would boycott the cabinet for "violating Lebanon's dignity and insulting Muslim emotions"

(Continued on page 5)

Hizbollah: U.S. not responding

BEIRUT (AP) — A senior official of the pro-Iranian Hizbollah said Saturday the United States was not responding to efforts to swap Western hostages in Lebanon and missing Israeli servicemen for Arabs held by Israel.

"The Americans are not responding. They are not exerting pressure on the Israelis," Hussein Musawi said upon returning from a 10-day visit to Iran.

Ahmud Jibril, a Palestinian guerrilla leader, also said the proposed swap was facing obstacles, but blamed them on Israel (see page 2).

Mr. Musawi, and Hizbollah secretary-general Sheikh Abbas Musawi returned from Iran Friday.

A Hizbollah statement said they discussed with Iranian officials, including President Hashemi Rafsanjani, Middle East peace moves and "efforts by the United States to impose hegemony on the region."

Mr. Musawi, reached by telephone at his headquarters in east Lebanon's ancient city of Baalbek, said the hostage issue was "not on our agenda in Iran."

However, he stressed that he "heard from Iranian officials that they are very interested in resolving the issue of the hostages and detainees."

"The Islamic Republic wants a solution for this issue that preserves the rights and interests of the Muslims, but the Americans are not responding. They are not exerting pressure on the Israelis," Mr. Musawi said.

"Everyone is interested in a solution, but the Americans should first realise and recognise that Muslims are human beings. We have Lebanese, Syrian, Iranian and Palestinian hostages. The Americans should understand that they are humans too and their fate should be resolved," Mr. Musawi added.

Islamic Jihad, which holds two American hostages, asked U.N. Secretary-General Javier Perez de Cuellar Aug. 8 to mediate a swap involving the Western hostages, Arabs held by Israel and the missing Israeli servicemen.

Whether Mr. Perez de Cuellar might succeed, Mr. Musawi said all depends on the Americans' response. They should view all the hostages equally. The Westerners are humans and so are our people.

(Continued on page 3)



Anti-communist graffiti covers the wall of a Lenin monument in the Ukrainian capital of Kiev

7 Palestinians killed in W. Bank, Gaza

OCCUPIED JERUSALEM (Agencies) — Six Palestinian men and a woman were killed in the Israeli-occupied territories, military and Palestinian sources said Saturday.

An explosion killed four Palestinians in the West Bank, two men were found shot dead in Gaza City, and an Israeli soldier shot dead a woman who stabbed him in the Gaza Strip's Rafah town.

Palestinian sources said the four who died in Friday night's blast, next to an Israeli army training camp east of Nabulus, may have been blown up by bombs left behind after military

exercises. They also said the men may have been making a bomb to attack Israeli targets. Two other Palestinians were wounded.

"Sometimes soldiers who conduct exercises in the region leave behind something and shepherds or farmers step on the object and are injured, a Palestinian said. Several people had been killed over the years in such incidents, he added.

The explosion went off near the village of Khirbat Al Akrah, east of Nabulus, immediately killing two men. Two others died of their wounds Saturday, the

army and Palestinian reporters said. The victims were identified as Mazoun Balounneh, 27; Faisal Balounneh, 28; Naim Balounneh, 18; and Khaled Ramadan, 25.

Palestinian reporters noted that three children have been killed in the area east of Nabulus since 1988 while playing with explosives apparently left behind after army exercises. On Tuesday, two children from Khirbat Al Akrah were wounded in the face by such explosives, Palestinian reports said.

Israeli military sources said the army clamped a curfew on the

area and began an investigation. In the Gaza Strip, an Israeli soldier shot dead a 25-year-old Palestinian woman who stabbed him in the face at the Israeli "civil administration" building in Rafah.

Palestinians said Fawziyah Hassan Abu Jazar apparently attacked the soldier in an act of revenge. They said Israeli troops had killed one of her brothers and wounded another and a sister since March 1989.

The bodies of two Palestinians were found "tucked in a Gaza City street Saturday morning. Palestinians said they had been shot in the head."

Mystery surrounds anti-Garang revolt

KHARTOUM (Agencies) — Mystery on Saturday shrouded the fate of southern Sudanese rebel leader John Garang, who was reported to have been deposed by dissident commanders in his army.

A Khartoum newspaper reported that the three dissident rebel commanders who claimed Colonel Garang's overthrow this week have arrested him in southern Sudan.

But also Saturday in Nairobi, Kenya, Garang aides Justin Arop and Mario Muor denied that their leader had been ousted and said he was still in control of the rebel Sudan People's Liberation Army (SPLA).

Mr. Arop and Mr. Muor said Col. Garang had sent them to Nairobi to refute the dissident claims.

The Khartoum newspaper Al Sudan Al Hadieth, which is owned by the military government of Col. Omar Hassan Al Bashir, gave no source for its report about Col. Garang's arrest.

A senior government official said Col. Garang's reported ouster was the result of a power struggle within the rebel hierarchy.

Commanders Riek Mashaar Teny-Dhurong, Lam Akol and Gordon Koang Chol said in a statement issued Friday that Col. Garang had been removed.

They accused him of a "reign of terror," forcible recruitment and human rights abuses.

The Sudan government said Saturday that the reported overthrow of Col. Garang would speed and end to the eight-year civil war between its impoverished north and south.

But Colonel Mohammad Al Amin Khalif, head of the peace process and foreign relations in the military junta, warned Col. Garang's successors not to attempt to secede from Khartoum.

The SPLA has been in disarray since the overthrow of its main backer, Eritrean leader Mengistu Haile Mariam, in May.

Col. Khalif, speaking on state radio, said reports Col. Garang had been toppled would accelerate recent peace moves.

He said the Khartoum government was committed to finding a peaceful solution to the war, which eats up at least half the

state budget and has virtually halted development in the south.

The SPLA accuses the Khartoum government of trying to impose Islamic rule on the mainly Christian and animist south and has fought for a secular Sudan.

Mr. Mashaar is known to favour the temporary separation of Sudan to bring about peace.

Many SPLA supporters say they do not believe the south will ever get equal treatment with the north, especially since the current government, which leans towards Muslim fundamentalism, came to power in a coup two years ago.

But Col. Khalif, a member of the ruling Revolution Command Council, said secession was unacceptable.

The government says it wants federal rule and will not impose Islamic Sharia law on the south. But southerners are deeply suspicious and fear they will get second class status.

Col. Khalif told the SPLA leaders not to assume that they spoke on behalf of the southern Sudanese, who comprise about nine million of the country's 26 million people.

The government says tens of thousands of SPLA supporters are defecting to the government, which is offering resettlement grants and retraining some fighters in its national army.

Col. Khalif said the government welcomed planned peace talks being organised by Nigerian head of state Ibrahim Babangida, current chairman of the Organisation of African Unity (OAU).

Western diplomats are pinning their hopes that Mr. Babangida will succeed where other mediators have failed. Nigeria put down a secessionist rebellion in Biafra in the 1960s but has managed to heal the wounds, they believe.

Mr. Mashaar and Mr. Akol are engineers and former lecturers at the University of Khartoum. Both are in their early 40s. Mr. Mashaar is a Nuer, the second largest tribe in southern Sudan and a traditional rival of the Dinka, Col. Garang's tribe. The Dinka is the largest tribe in the south and one from which the SPLA draws most of its support. Mr. Akol is a Shilluk, a smaller tribe.

Khaddam, Arafat meet, agree to coordinate stands

DAMASCUS (Agencies) — Syrian Vice-President Abdul Halim Khaddam has held talks on Middle East peace with Palestine Liberation Organisation (PLO) Chairman Yasser Arafat, in the highest-level meeting between the two sides since the Gulf war.

Palestinian officials said Saturday the meeting took place in Libya Thursday on the sidelines of the inauguration of Libya's great Man-Made River.

A spokesman for the Democratic Front for the Liberation of Palestine (DFLP) said the PLO called for an urgent meeting with Syria, Egypt and Jordan to draw up a joint stand before next month's expected visit to the region by U.S. Secretary of State James Baker.

Mr. Baker is expected to visit the region in mid-September on his seventh tour since the end of the Gulf war in an effort to coax the Arabs and Israel to the conference table in October.

The PLO's relations with Syria have long been acrimonious because of its support for rival Palestinian factions.

The DFLP, represented in the Libya talks by its leader Nayef Hawatmeh, said Syria and the PLO had agreed to coordinate their positions before the U.S.-proposed peace talks.

Syria plans to take part in the conference but the PLO wants guarantees from the United States before it commits itself to backing the conference, in which it has no direct role.

The PLO wants the right to name delegates to the conference including representatives from Arab East Jerusalem.

Israel refuses any contact with the PLO and rules out Palestinians from East Jerusalem as negotiators.

Egyptian President Hosni Mubarak says he will continue to work without letup for a settlement of the Palestinian problem despite his differences with PLO leaders on the Gulf crisis.

In an interview with Cairo's afternoon newspaper Al Massa published Saturday, Mr. Mubarak commented on his surprise meeting in Libya last Wednesday with Mr. Arafat.

It was their first meeting since Aug. 10 of last year when an Arab summit was held in Cairo to discuss Iraq's invasion of Kuwait eight days earlier.

Egypt then joined the majority of Arab states in condemning the invasion and approving Arab and Western military intervention to end it. Mr. Arafat supported Iraq. As a result, Mr. Mubarak and state-owned newspapers repeatedly have said that Mr. Arafat was unwelcome in Cairo.

"Yasser Arafat, who is an Arab citizen, asked to see me and I agreed for the sake of the Arab's top cause, the Palestinian cause," Mr. Mubarak told Samir Ragab, Al Massa's editor.

"Arafat spoke at length and I listened to what he said on both the Gulf crisis and the (Middle East) peace process. I assured him that the Palestinian problem is our problem and that we will make every effort to solve it."

After the Gulf war ended last February, Mr. Mubarak said he would work for a Palestinian settlement despite the rift with Mr. Arafat. But this was his first post-crisis pledge to Mr. Arafat personally.

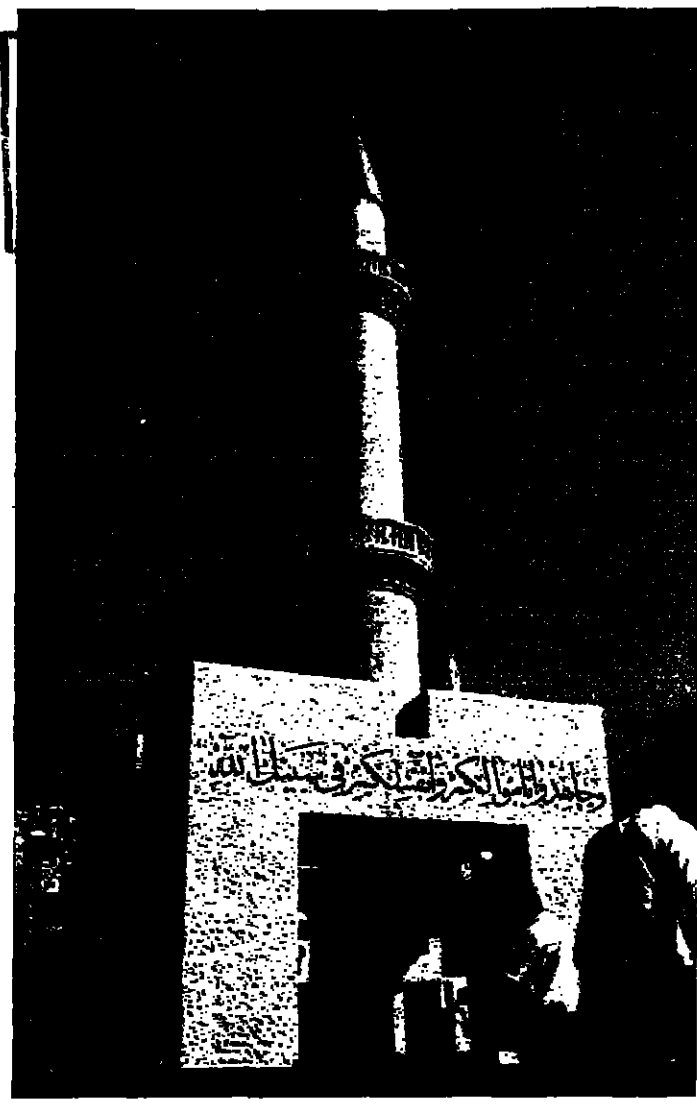
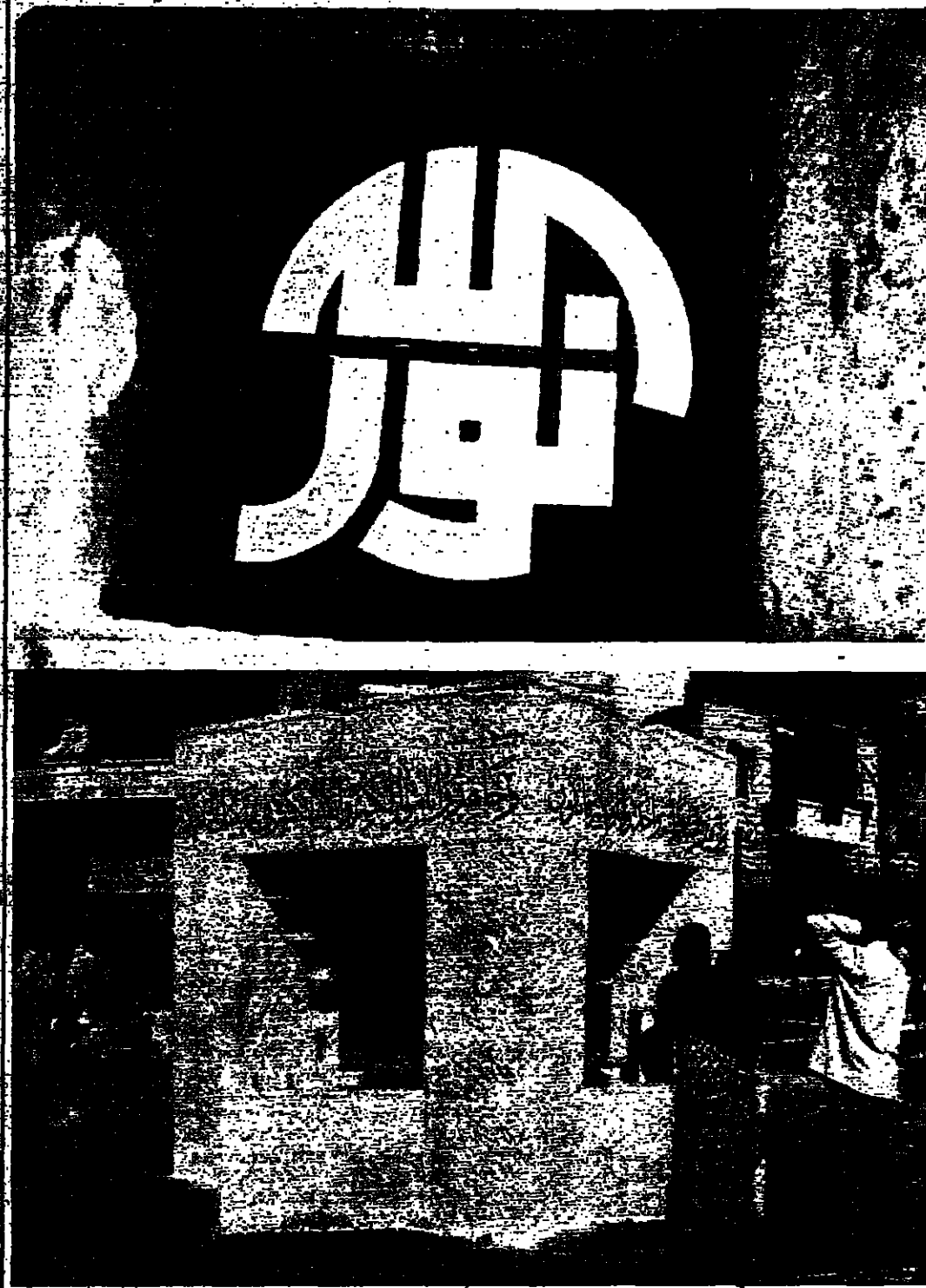
Egyptian officials, speaking on condition of anonymity, said Mr. Mubarak relaxed his position on seeing Mr. Arafat at the urging of Libyan leader Muammar Qadhafi.

Information Circular

issued by the Lutheran Evangelical Church Headquarter in Jordan

The Lutheran Evangelical Church Council (the executive committee) decided in its session No. 18/8 held on 18 June to refer the priest Nu'man Samir — head of the Good Shepherd (Al Rai' Al Saleh) Lutheran Evangelical Church, located in Umm Al Summaq in Amman, an affiliate of the Lutheran Evangelical Church in Jordan, to pension as of Oct. 1, 1991.

Bishop Naim Nassar
Head of the Church Council and the Evangelical Church in Jordan



AMMAN (J.T.) — A public fountain built in the Islamic traditional style has been erected in the square in front of the Grand Hussein Mosque in downtown Amman.

Jordanian citizen Hani Abdo Saad paid the cost of building the fountain while architect Waleed Al Abidi and sculptor Mona Sami supervised the construction and technical and artistic work involved in the project.

The four sides of the structure, which is supplied with continuous

flow of drinking water for thirsty pedestrians, is covered with inscriptions of Koranic verses.

According to the designers, the structure, which is a considered piece of fine art, has been designed after the structure which houses the Holy Kaaba in Mecca.

The idea of the public fountain is derived from an old Islamic tradition of placing water at the side of the road for weary and thirsty travellers. The Koranic verses were inscribed by calligraphist Riyad Al Tabbat.

3 banks submit offers for BCCI branches in Jordan

By a Jordan Times Staff Reporter

AMMAN — The Central Bank of Jordan (CBJ) Saturday received bids from three Jordanian financial institutions to purchase the Jordan branches of the Bank of Credit and Commerce International (BCCI) and a final decision on the offers is expected Monday.

The bids came from the Arab Banking Corporation (ABC), which already has a commercial banking licence, the Union Bank and the Business Bank — two investment houses which do not have a commercial licence.

The Jordanian Investment and Finance Bank — a fourth contender — was automatically dropped from consideration since it did not submit any offer by the office closing hours Saturday, the deadline set by the CBJ.

"The three offers have been received and the board of directors of the Central Bank of Jordan will meet Monday to evaluate and make the decision" as to which institution gets the three BCCI branches, which were taken over by the CBJ in early July, BCCI Regional Manager Fakhr Bilbisi told the Jordan Times.

All three BCCI branches are solvent despite the international collapse of the Luxembourg-based bank, which has been hit by scandals and financial troubles. The CBJ had ensured that all local BCCI deposits in foreign currency were repatriated to Jordan before the problems forced European seizures of BCCI assets in the first week of July.

The CBJ has set JD 1 million as the minimum bid for BCCI Jordan and the buyer also has to undertake to protect the interests of the 90 BCCI employees in Jordan. No dismissals will be permitted during the first year.

In the meantime, Jordanians holding deposits with BCCI branches in London and elsewhere in Europe are trying to get together in a bid to salvage their money, but most of them admit that it could be a lost cause in view of the magnitude of the problem.

BCCI depositors have received signals from the concerned European monetary authorities to confirm their accounts and balances ahead of a process which might result in partial reimbursements, but nobody knows when.

A deposit-security organisation

in London has been in touch with most Jordanian depositors with BCCI London and some of them have already received a one-time payment of £15,000. This payment is regardless of the actual credit balances as long as they are more than £15,000.

"An action committee is being set up in London by mostly Arab depositors of BCCI and the committee will demand a speedy process for the reimbursement of all BCCI deposits," said one Jordanian businessman who said he had "more than £40,000" with BCCI London.

"We know that it is going to be a tough process and we might not get anything at all, but we cannot give up," he added.

One distant hope of depositors with the European branches of BCCI is that the rulers of Abu Dhabi, who own 77 per cent of BCCI, might pump in funds to keep the bank afloat after having already given \$83 million to avert a liquidation order in Britain. But international banking experts doubt whether the majority shareholders will be interested in reviving the scandal-plagued bank with massive cash infusions.

Kingdom needs 430 new schools to implement conference's suggestions

AMMAN (Petra) — A survey conducted by the Ministry of Education has revealed that Jordan was in need of at least 430 new schools in various regions in order to implement the recommendations and resolutions of the 1987 National Educational Conference, according to Abdul Razzaq Al Maani, the director of the ministry's Projects and School Buildings Department.

To build these schools between 1989 and 1998 in accordance with the conference resolutions, the country needs at least \$950 million. The ministry now plans to carry out the project in two stages, according to Mr. Maani.

He said that the first stage will be carried out between 1989 and 1994 while the other would be enacted between 1995 and 1998, depending on the funds. The first phase of the project, Mr. Maani said, entails building 200 schools before the end of 1991.

The ministry plans to announce tenders for the projects and embark on their implementation.

He said that the 1991 budget will take care of the construction of 95 schools but the 1992 budget will provide for the construction of 50 more schools and the 1993 fiscal budget another 50.

As for the second phase of the project, which extends between 1995 and 1998, the ministry has embarked on the process of appropriating land on which to construct the remaining number of schools Mr. Maani said.

Mr. Maani said that the ministry is in dire need of the additional schools in order to cope with the growing demand for education at the school level, the increase in the number of students as a result of the return to Jordan by the expatriates and to dispose of the rented buildings for which the ministry is paying.

According to Mr. Maani, Ministry of Education schools this year admitted a total of 56,000 expatriate children, a number which is expected to rise to 76,000 during the current scholastic year in view of the con-

tinued flow of expatriates returning home.

The Ministry of Education has made available JD 6 million for the maintenance of schools to provide 50 schools with educational aids and to provide essential supplies to school vocational workshops, laboratories and libraries for this year.

Indeed, a recent survey conducted by ministry teams revealed that 616 government schools were in need of these basic requirements.

In view of the return to large numbers of students, the ministry has decided to keep the two shift system in certain schools and to keep the rented school buildings for the time being until new buildings have been completed.

According to Mr. Maani, the ministry has received a number of finished school buildings which have facilities for classrooms and laboratories. These, he said, have been opened to students at the start of the current scholastic year.

Government to replace foreign teachers with qualified Jordanians

AMMAN (J.T.) — As part of the government's continued crackdown on foreign workers in Jordan, the Ministry of Labour Saturday announced plans to curtail the number of foreign teachers at schools, universities and community colleges in the country.

Labour Minister Abdul Karim Al Dughmi said that the Ministry of Labour will not reverse its decision, which prohibits non-Jordanians from assuming teaching posts at educational institutions in the Kingdom except in rare cases where Jordanian teachers for specific subjects are not available.

In a statement to the Jordan News Agency, Petra, Mr. Dughmi said that the Ministry of Labour will be willing to study the question of issuing permits on a very limited scale for universities but not for community colleges and schools, where hundreds of unemployed but qualified Jordanians can work.

Addressing a meeting attended by representatives of private and government universities at his office, Mr. Dughmi said that the Ministry of Labour was planning to invite holders of doctorate degrees in various specialisations to register their names with the ministry and fill applications for jobs. He said that the ministry will take charge of filling posts at community colleges and universities with Jordanian teachers.

The ministry will also seek to find work for qualified university graduates in other countries and is working in coordination with the Civil Service Commission to achieve that goal, Mr. Dughmi said.

The minister urged all universities to take steps to adhere to the labour law with regard to the employment of non-Jordanians on their staff. He also called on the universities' administrations to provide the Ministry of Labour with the lists of names of non-Jordanian teachers and their specialisations.

Mr. Dughmi stressed the need for these universities to coordin-

ate the employment of non-Jordanian teachers with the Labour Ministry.

He warned that the ministry would ignore applications for teachers if the ministry has not been consulted in advance.

According to Petra, representatives of the universities agreed with the minister's ideas, stressing that hundreds of qualified Jordanians are awaiting appointment in place of the non-Jordanians.

The ministry of Labour earlier announced that it was providing training courses for Jordanians at the vocational training centres in order to train them to take over jobs from non-Jordanian workers in the country.



Abdul Karim Al Dughmi

HOME NEWS IN BRIEF

Crown Prince congratulates Libya

AMMAN (Petra) — His Royal Highness Crown Prince Hassan, the regent, Saturday sent a cable to Libyan President Muammar Qaddafi to congratulate him in his name and on behalf of the Jordanian government and people on the occasion of the September Revolution. Prince Hassan wished Mr. Qaddafi good health and happiness and the Libyan people further progress and prosperity.

Zarqa governor inspects factories

ZARQA (Petra) — Zarqa Governor Mohammad Hussein Al Shobaki Saturday stressed the need to conserve nature and the environment to protect citizens' lives and possessions from pollution. In a meeting with owners of factories and citizens in the governorate, Mr. Shobaki called the factories to abide by the regulations of the public safety committees and urged them to conduct regular maintenance operations on machinery at the waste water treatment plants. The governor reviewed in the meeting the achievements of the public safety committee and landed the cooperation of the factories' owners with the committee by improving the quality of water flowing out of their factories.

Romanian envoy visits speakers

AMMAN (Petra) — Upper House of Parliament Speaker Ahmad Al Lawzi received in his office Saturday the Romanian charge d'affaires in Amman. The Romanian envoy delivered to Mr. Lawzi a letter from the Romanian government and parliament dealing with the situation in the Baltic republics and Moldavia. The envoy also renewed an invitation for a Jordanian Parliamentary delegation to visit Romania. The envoy had a similar meeting with Speaker of the Lower House of Parliament Abdul Latif Arabiyat.

Committee to meet

AMMAN (Petra) — The Lower House of Parliament's Legal Committee will hold a meeting Monday morning to discuss several temporary laws. The committee is expected to discuss in its meeting the amendment of the Communism Combating Law.

Universities begin registering students

AMMAN (Petra) — Registration of students and the payment of fees have started at the University of Jordan and the Jordan University of Science and Technology (JUST). A spokesman for the University of Jordan said that the registration process was to last seven days. He said that 3,971 students have been accepted in the university's various faculties for the new academic year. University sources said that studies are scheduled to start in the first week of September.

Court session delayed

AMMAN (J.T.) — A scheduled session of hearings by the Military Court of the Petra Bank cases Saturday was postponed until Sunday because one of the presiding judges was absent due to illness. Dr. Maher Waked, a senior Bank of Jordan executive who was member of a panel which investigated Petra Bank affairs, will testify to his findings to the court Sunday.

Increased patient demand prompts hospital to open new medical centres

AMMAN (J.T.) — In view of the increased medical demand in Amman because of the concentration of most of the returning expatriates in the city, Al Bashir Hospital announced Saturday that it has made plans to offer expanded services at new facilities.

Dr. Saheil Kayed, the hospital director, said that to ease the pressure at the main hospital premises, a new first aid and emergency centre will be opened nearby. It will be opened to the public on Monday, he said.

The new centre has been supplied with equipment and medical staff and has 112 beds for emergency cases, Dr. Kayed said. According to Dr. Kayed, the new centre can be considered one of the most modern and has been equipped with modern facilities for speedy treatment.

Al Bashir Hospital is the only government hospital in the capital and, according to reports in the

local press, it offers services to nearly 70 per cent of the Amman's residents.

Dr. Kayed said that the hospital is opening the new centre in order to cope with the increasing number of patients, including those returning from Kuwait.

Dr. Kayed also announced that Al Bashir Hospital will soon inaugurate new premises for the outpatient unit. He said the departments which treat chest diseases, children and burns will be shifted to new areas to allow for the expansion of the surgery and delivery sections in the hospital. He said the number of hospital beds will be increased by at least 230 beds in the process.

Dr. Kayed complained that the Water Authority of Jordan (WAJ) had cut off the water supply to Al Bashir Hospital for three days last week. He said that the water supply is of paramount importance to run the hospital's various sections.

Dr. Kayed also complained that the hospital was suffering from severe shortages of specialists and nurses, largely due to the loss of some of the staff who had been demanding incentives and better pay.

In the past month, the president of the Jordanian Medical Association (JMA), Dr. Ishaq Maraga, complained that Al Bashir Hospital doctors were underpaid and overworked. He said on Jordan Television that each doctor at Al Bashir Hospital was treating up to 200 patients every week and, like other doctors in private hospitals, these physicians deserved higher pay.

Dr. Kayed complained that a number of the pre-fabricated buildings at the Al Bashir Hospital were in a dilapidated condition after being used for more than 10 years. These buildings, he said, are no longer suitable for medical services largely because it is impossible to keep them clean.

Trial of Muslim militants to start in a few days

AMMAN (R) — Jordan's Justice Minister Tayseer Kanaan said on Saturday members of a clandestine military Muslim group detained for links to car bombs and attacks on civilians would go on trial in the next few days.

But he declined to say when exactly members of a group calling itself the "Prophet Mohammad's Army" would go on trial. He told Reuters around 20 would be tried by the State Security Court. "He will also free soon those whose involvement has not been proven," he said.

He did not give a firm date for their release and did not say how many they were.

More than 60 militants were arrested in August for alleged involvement in car bomb attacks on a security official and the daughter of a priest.

The government said they were also planning to attack civilian, financial and security targets and had put the house of a Western ambassador under surveillance.



Tayseer Kanaan

Government officials earlier said they expected the trials to start on Saturday. It was not immediately clear why they had not begun.

His Majesty King Hussein told Reuters this month that some of the accused had trained in Afghanistan alongside the mujahideen (Islamic resistance fighters) but most of them were Jordanians.

Hizbollah: U.S. not responding

(Continued from page 1)

"The Western hostages are few, but the Muslims are hundreds. Why shouldn't we be treated equally?"

Hizbollah is believed to be the parent group for the various underground factions holding most of the 11 Westerners missing in Lebanon.

Asked whether Mr. Perez de Cuellar has contacted Hizbollah about two Israeli servicemen it has held since 1984, Mr. Musawi said: "I'm not aware of any such contact."

Israel has agreed to release 400

Arabs it holds in return for release of the Western hostages and the return of its seven servicemen missing in Lebanon for as many as nine years.

Before going into details of a possible swap, Israel insisted on obtaining reliable information on its missing to determine whether they are still alive.

Hizbollah has so far refused to allow the International Committee of the Red Cross to visit the two Israelis it holds.

Shiite leader Nabih Berri said his Amal militia has the bodies of two Israelis, but he has refused to identify them.

Netherlands delegation to visit Jordan

AMMAN (J.T.) — An eight-member Parliamentary delegation from the Netherlands is due here Monday evening in the course of a tour of countries in the Middle East on a fact finding mission and for talks on the region's issues with parliamentarians and government officials.

The delegation includes Henrius Aarts (Christian Democrat), Adrianus Melkert (Socialist), Frans Welgast (Liberal), Meindert Leerling (Orthodox Protestant), Jacob Kohnstamm (Left Liberal), Jan Arend Lonink (Socialist), Johan Gualtherie Van Weezel (Christian Democrat) and Jan Jooren (clerk of the Lower House of Parliament).

The consul general for the Netherlands in Jordan, Dr. Raouf Abu Jaber, told the Jordan Times that the delegation members will be meeting with the speakers of the Upper and Lower Houses of Parliament and parliament members as well as Foreign Minister Abdullah Ensour for talks on Middle East issue.

He said that they may be received by His Royal Highness Crown Prince Hassan before they leave Wednesday for the occupied Palestinian land.

Dr. Abu Jaber, who will host a reception for the guests, said that the delegation members will arrive here by land from Damascus and will be met at the border post of Ramtha by Jordanian officials.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITIONS

- ★ Art exhibition by Ibrahim Abul Kabb at the Royal Cultural Centre.
- ★ Exhibition of ceramics by Iraqi artist Salim Jamil Al Nouri at Alfa Art Gallery.

CONCERT

- ★ Concert by Al Jod Al Jod folk troupe at the Royal Cultural Centre — 8:00 p.m.

Jordan Times

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City at heart

THE CONTINUOUS horizontal expansion of Amman necessarily involves success in fighting the recession in our construction sector, which has been plaguing the economy for a number of years now. Yet if the expansion in housing continues along the same pattern it has been following there is danger that most of the fertile lands around the capital may end up being no more than ugly structures of cement and bricks. This is not to mention the imminent risk of placing heavy concentration of the country's population in one major metropolis to the detriment of the overall interest and welfare of the Kingdom.

There are obvious socio-economic implications related to the unchecked growth of the principal city. But beyond that, our city planners have to worry also about the limited resources of the Amman municipality which appear to be stretched to the limit already. On the top of these financial and natural resources are water and services.

A few decades ago, the late prime minister, Wasfi Tal, sounded the alarm about the cancerous expansion of the capital in the direction of the limited fertile lands situated mostly westwards. Unfortunately, his warnings went unheeded, and we now have to pay the price for that myopia.

In any case, all hope must not be lost, especially when the problem is getting bigger with Amman being flooded with hundreds of thousands of returnees from the Gulf. In this vein, the mushrooming construction going on all around Amman, especially in the western parts, to accommodate the new residents needs to be controlled before a tragedy befalls us in terms of utilities, services, water and, above all, the loss of the remaining fertile lands. In view of the magnitude of the population problem that the country is experiencing, a national policy needs to be articulated as a matter of urgency with a view to stemming the growth of Amman and channel the new stresses and strains to other areas in the country: North middle and south. In this regard it is unfortunate that since the formation of the Masri government in June up until now it has not been possible to appoint a new mayor for Amman. The vacant post cannot afford to be politicized. What head of municipality Amman needs most is not a Muslim or Christian or a Circassian or Kurd, but a highly qualified Jordanian man or woman who is well-versed with the fundamental issues of city planning and management. There is obviously an urgent need for an energetic mayor to fill the vacant job at a time when the capital can ill afford any additional procrastination on the appointment. At the rate house building is going nowadays, it is doubly important to choose an able mayor who could run the affairs of the city efficiently and tirelessly.

After all, Amman is a beautiful city of which we all are proud and it deserves from us the best of care.

ARABIC PRESS COMMENTARIES

EVERY time we hear about a new trip to the Middle East by the U.S. secretary of state, Israel moves to announce a new phase of its settlement programme in the occupied Arab lands, said Al Ra'i daily Saturday. The paper drew the readers' attention to the fact that it was the same U.S. secretary of state, James Baker, who voiced Washington's dismay over the creation of these settlements describing them as an obstacle to the peace process. But it is noticed that the United States is doing nothing to stop the settlement programme or to restrain Israel's desire for seizing more Arab land and it is giving the Arabs mere lip service claiming only that it does not approve of these settlements, the paper noted. Israel chose through its Housing Minister Ariel Sharon to announce plans to settle more than a million Jews within the Jerusalem area which would be linked to the other Jewish settlements only 20 days before the arrival in the Middle East of the U.S. secretary in yet another tour to peddle Washington's ideas for a peace conference, the paper said. A spokesman for the Israeli government has said that Mr. Shamir's views are those of the government and Israel was going ahead with its settlement programme as planned, the paper added. It said that such statement reveals the true intentions of the Jewish state and exposes its disregard to the so called peace process. The paper noted that the peace process can never see the light as long as Israel goes ahead with plans to swallow up what remained of the Arab lands since the land is closely linked to the concept of peace.

In the past two decades all contractors in Jordan had been allowed by law to build and sell flats and homes of different sizes and in various areas of Amman and other cities without being questioned by any law about the safety of these buildings, said a columnist in Al Ra'i Arabic daily Saturday. Salah Abdul Samad said that these contractors had been making a great deal of profit from their operations, but many of their buildings later proved to be of bad quality and some of them were near collapse, forcing the residents to evacuate them. It was never easy for ordinary citizens to purchase their flats and in most cases they borrowed the money from the banks to pay for their installments, and no law was there to provide protection to the buyers from any cheating or manipulation on the part of the contractors, said the writer. Abdul Samad cited the example of a neighbouring Arab country where many buildings collapsed as a result of insufficient materials required for their safety and said Jordan should take a lesson from this situation and introduce a law by which any flat to be sold should be subject to close examination by the municipality or other concerned body.

Sunday's economic pulse

By Dr. Fahd Al Faweh

Should Aqaba become a free zone?

THE transformation of Aqaba into a free zone is an old subject that comes up for debate time and again. The subject has never been resolved one way or another, unless we take the government's inaction as an implied position against the idea.

So far Jordan spent tens of millions of Jordanian dinars to establish free zones in various areas of the country, including the Jordanian-Syrian borders, but unfortunately the feasibility of these projects was not confirmed, and the huge investments were never recovered. Even if it were a good idea to establish yet more free zones, the Aqaba region should be the last candidate for consideration, due to reasons which will be put forth immediately.

Naturally, free zones in the world were established where cheap skilled labour was abundant, such as in Hong Kong and other Far East points. Such cheap labour is obviously not available in Jordan, much less in Aqaba, where the Port Authority finds difficulty in attracting the badly needed labour even after granting generous incentives.

The most pointed out advantage of free zones is to encourage export industries. The problem here is that commodities produced in free zones are not eligible for certificates of origin and thus could not possibly benefit from Jordan's export markets, its bilateral trade agreements, or the Arab common market. They

are simply treated as foreign products.

Customs and income tax are also cited as major advantages for the establishment of a project within a free zone. But the Investment Encouragement Law is effectively making all of Jordan almost a free zone from this stand point. By law, investments in industry, agriculture, tourism, transport, health and education are totally exempted from taxes on their imported machinery and construction. They are also exempted from income tax for a long period of time. Customs duty on raw materials is relatively very low, and is recoverable in full case of export.

The claimed success of Jabal Ali free zone is due to the fact that it is established in a state which itself is a free zone (Dubai). It is as prosperous as a smuggling area. Free zones in protected economies like Jordan's do not succeed. The most obvious example is Port Said, one of the worst failures among free zones in the world.

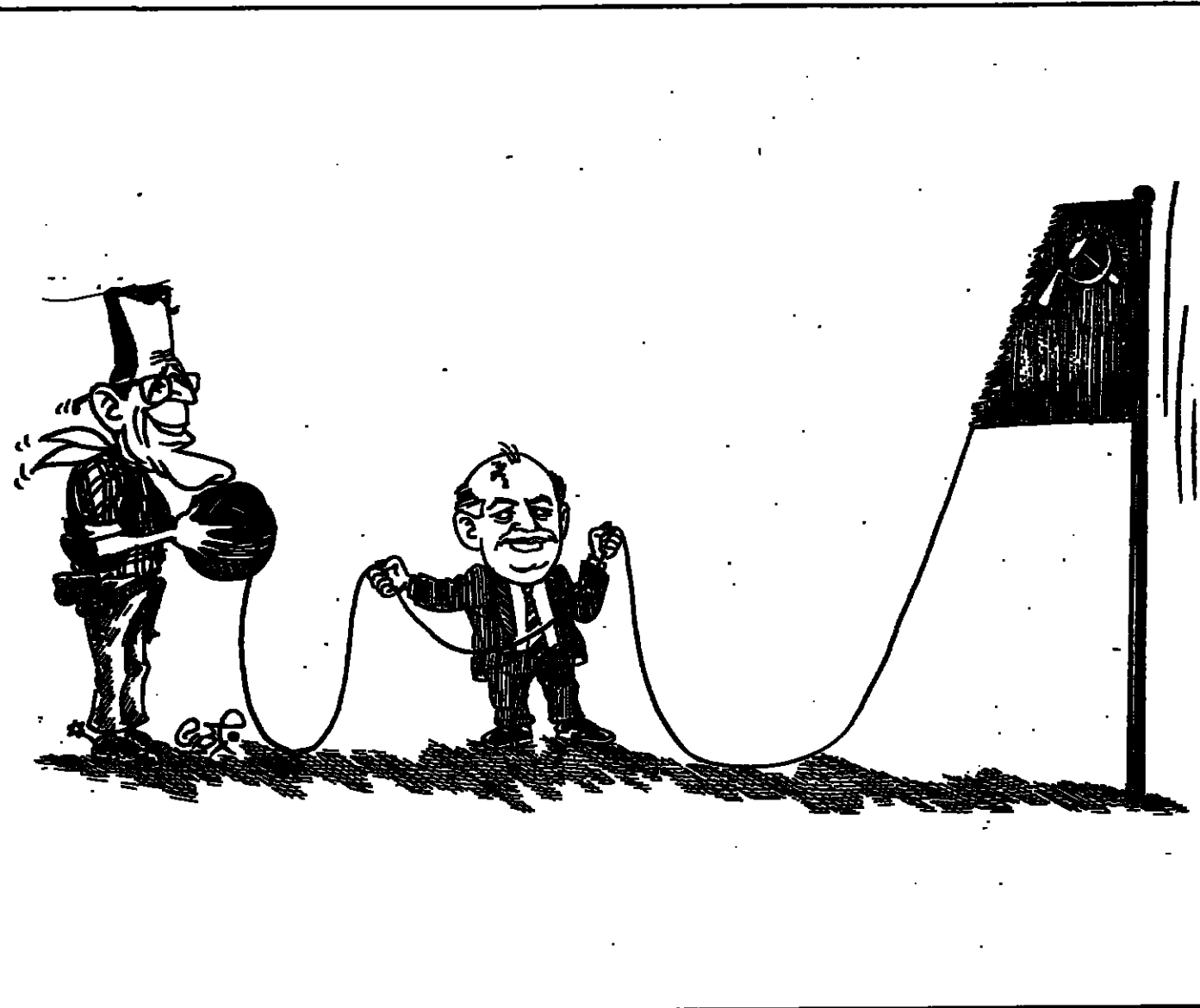
It is not true that free zones secure simplicity of procedure and absence of governmental red tape. The entry and exit of any materials to or from free zones have to pass through customs walls. If red tape can be curtailed, we should do so not only in free zones but all over the country.

The choice of a spot to become a free zone is one way of giving a push to an underdeveloped area. Therefore, it may be understandable to think of the eastern desert as a free zone. Aqaba, in contrast, is overcrowded by heavy industries, tourism and transport. It is the area that needs transformation to free zone the least.

Besides, Aqaba is a sensitive spot, neighbouring the sea and three countries. To transform Aqaba into a free zone is to unleash illegal trafficking, capital flight and all kinds of security infractions. Jordan is better off without taking such risks.

It may be useful also to point out the importance of Aqaba as part of the domestic consumer market, which may be lost to the Jordanian products. As a free zone it will be open, duty free, to foreign products, which will definitely expel Jordanian products from its market. The travel to and out of Aqaba will become more troublesome. Passengers will have to cross a customs point and be submitted to inspection as if they were coming from abroad.

Last but not least, the indigenous people of Aqaba, who are enthusiastic about the project, should understand that in the long run it will not work in the best of their interest. They would become strangers in their own town which will be taken over and controlled by external capitalists and profiteers.



West sees hardliners as finished despite fears of return

By Nicholas Doughty
Reuters

BRUSSELS — The West has effectively written off the prospect that the Soviet Union's communist old guard might make a desperate attempt to seize power again, diplomats and analysts say. The Communist Party — the main instrument of control with the KGB and the armed forces — is falling apart. The leaders of last week's bungled hardline coup are in jail. Republics are spinning out beyond central control.

"The chance of a return by the hardliners is being effectively discounted," said one senior NATO diplomat who asked not to be identified.

The members of the old guard stand to lose everything — the power, perks and privileges that lifted them above the grey misery

of everyday Soviet life as a reward for loyal service to the party or the armed forces.

Now they are all but powerless. Some, in desperation, have committed suicide.

"They might have a chance of some success in some of the more remote republics, but there is no chance of a possible comeback. They bungled it," said Philip Borinski of the International Institute for Strategic Studies in London.

"In the current situation, they have no legitimacy with the people and that counts for everything now. The armed forces are divided. The events of the last week prove that."

The weight of domestic opinion, promises of sweeping purges in the military, and the strength of world opinion would make

another coup attempt impractical, he said.

Nevertheless, the rebel republics of Estonia and Latvia predicted on Tuesday that this was exactly what would happen. The West is more worried that chaos will come to the Soviet Union, even if the hardliners are purged.

"We must reckon with a next coup d'etat," said Estonian Foreign Minister Lemart Meri, in Oslo with his Lithuanian and Latvian colleagues to sign a pact establishing diplomatic ties with Norway.

"This beast is now wounded but it's still alive. It's fighting between life and death," he told a news conference.

"I think the hardliners will try to regroup," Latvian Foreign Minister Janis Jurkams told Reuters. "We have won one battle, but not the war."

NATO officials and analysts say there could be a limited hardline backlash if the coming winter proves particularly tough, but that the West would almost certainly pump large amounts of food aid to bolster the crippled Soviet economy.

"How things will settle beyond that, no one can know," said another NATO diplomat. "I think we're more worried about chaos than any return to the old system."

British Prime Minister John Major on Wednesday called on Soviet leaders to formulate a clear plan of action for the way ahead. Speaking on a visit to the United States, he said: "There's a danger of chaos. There's a danger of nobody knowing quite what is going to happen or how it can be brought about."

Eastern Europe sits tight as Soviet Union dismembers itself

By Michael Shields
Reuters

BUDAPEST — Eastern European countries are worried that the breakup of the Soviet Union is rushing ahead too quickly, but can do little except wait and see what chances the reshuffle may bring, officials said on Friday.

The image of Soviet Union as a monolithic power ready and willing to impose its will on weaker neighbours is rapidly fading away, leaving in its place fear that the country could disintegrate into Yugoslavian-style disarray.

"I think developments in the Soviet Union must follow a democratic process or else they could lead to considerable chaos," Czechoslovakian Foreign Minister Jiri Dienstbier said.

"Just look at what is happening in Yugoslavia," he told Reuters.

"What is going on there would take place on a much graver scale if it happened in the Soviet Union. It is therefore of utmost importance to support fully all democratic means to resolve the situation in the Soviet Union, for such a solution is also in our interest."

The powerful centrifugal forces unleashed by the failed attempt to topple Soviet President Mikhail Gorbachev last week have pointed up just how fluidly the balance of power has shifted from the central government to individual republics.

Officials in neighbouring Eastern countries are alarmed by the sudden breakdown of political order poses danger as the republics — led by Boris Yeltsin's dominant Russian Federation — flex their newly-found muscles.

"It is really going too fast but it is not possible to slow it," said Polish Foreign Ministry official. "We are trying to absorb the information and adapt to and seize all the opportunities."

Polish officials believed there was still a possibility that the Soviet Union might dissolve in chaos, but the last few days had shown Mr. Gorbachev was holding onto power, he added.

One Hungarian Foreign Ministry official said too much was at stake for the Soviet Union to race pell-mell into oblivion, especially if fighting broke out among and within republics.

"An uncontrolled, spontaneous disintegration of the Soviet Union would be a very unfavourable development for a number of reasons, including the issue of nuclear weapons," he said.

"In case of an escalating conflict, the dangers could be very serious to its neighbours and to the whole world."

However, countries in the region are basically powerless to influence events in the Soviet Union, this official said, adding they could only encourage democratic means to resolve difference and urge respect for the rights of minorities.

Eastern Europe has rushed to recognise the independence of the three Baltic states, but has been reluctant to extend that move to other Soviet republics that unlike Lithuania, Latvia and Estonia had not enjoyed statehood in modern times.

"The Baltic states are a closed chapter, but it must be stressed that they are a separate matter," the Hungarian official said.

"There is a clear line that separates the Baltic states from the others."

The only country to cross that line has been Romania, which was the first and so far only country to recognise the neighbouring republic of Moldova's independence declaration.

Two-thirds of the people in Moldova, most of which was annexed by Moscow in 1940 as part of a Soviet deal with Nazi Germany, are ethnic Romanians.

Looking past the present turmoil, Eastern Europe is pinning its hopes on the prospect that republics will eventually emerge from their euphoria to realise close ties could be beneficial in the future, even if they come within the framework of a drastically different union.

"We want to tell the Soviet nations that you are so tied economically that you are destined for each other — destined for cooperation but obviously under new conditions," Polish President Lech Walesa told Mr. Gorbachev in a telephone conversation this week.

"We hope that economic reality and economic good sense will prevail," Romanian Foreign Ministry Spokesman Traian Cebeleu added. "As far as the breakup process of Romania's big neighbour is concerned, we hope that everything proceeds smoothly and peacefully inside the Soviet Union."

"There is a huge moral force in Moscow now, and Russian leadership could suffice to keep the main parts of the Soviet Union together, which, after all, would not be bad," another official said in reference to Mr. Yeltsin.

Yeltsin muscle - flexing scares other republics

By Bryan Brunley
The Associated Press

MOSCOW — Muscle flexing by Russian leader Boris Yeltsin is hastening the flight of other republics from the Soviet Union and raising the specter of "Russian imperialist thinking."

Many of Mr. Yeltsin's actions are drawing warnings from Soviet President Mikhail S. Gorbachev and leaders of smaller republics who fear emergence of the giant Russian Federation as a "big brother" that could dominate whatever emerges from the wreckage of the Soviet Union.

Non-Russian lawmakers complained Thursday about "newly emerging Russian nationalism." They refused to approve Mr. Gorbachev's choices to his top advisory body, the security council, claiming that Russian reformers were forming a new political monopoly.

The deputies objected specifically to Moscow Mayor Gavril Popov, who they claimed had supported a Yeltsin decree issued earlier this week that reserved Russia's right to review borders with most of its neighbours.

Since leading resistance to a botched hardline coup last week, Mr. Yeltsin had issued decree after decree aimed at dismantling central authority and expanding his own.

His hammer blows have shattered the authority of Mr. Gorbachev's government, and allowed Mr. Yeltsin to negotiate directly with leaders of other republics.

Taken together, the action have placed Mr. Yeltsin closer and closer to the centre of power in what a Russian-Ukrainian

statement called "the former Soviet Union."

But they have also prompted unease.

It was partly Mr. Yeltsin's decrees that led the Ukraine, the most populous Soviet republic after Russia, to issue an independence declaration Saturday, joining the three Baltic republics and Georgia. Byelorussia and Moldova have joined the stampede since then.

The Ukraine signed an agreement with Russia for a temporary economic and military alliance but also started forming an army to defend itself from what Ukrainian legislator Stepan Khmara in Kiev called "a revival of Russian imperialist thinking."

President Nursultan Nazarbayev of Kazakhstan, the fourth most populous Soviet republic, said Mr. Yeltsin's comments on

borders may force his republic to follow the Ukraine's lead in declaring outright independence.

Seven republics have proclaimed total independence so far, although many of those declarations may be aimed at giving the republics what Moscow-based analyst Andrei Kortumov called "bargaining chips" in dealing with Mr. Yeltsin.

Mr. Yeltsin has put his stamp on the emerging order. Meeting Mr. Gorbachev last Friday after the coup, he reportedly demanded the appointment of his nominees to head the ministries of defence, interior, foreign affairs and the KGB.

Mr. Gorbachev also appointed Mr. Yeltsin's prime minister, Ivan Silayev, as head of a committee to manage the nation's economy and to appoint a new cabinet of ministers.

Mr. Nazarbayev said Mr. Yeltsin's efforts to dictate policy to Mr. Gorbachev and other Soviet leaders could create disunity.

He pointed to the Russian statement early this weekend that the borders Russia shares with eight other republics might be reviewed if those republics — other than the Baltics — do not sign a proposed union treaty preserving the Soviet Union in some form.

Mr. Yeltsin Wednesday dispatched his vice president, Alexander Rutskoi, to hold talks with Ukrainian leader Leonid Kravchuk. Early Thursday they agreed to put border disputes to rest and forge an economic and military alliance.

But trouble flared in Kazakhstan, which has a long border with Russia and a population 41

per cent ethnic Russian and 38 per cent Kazakh.

In a message to Mr. Yeltsin, Nazarbayev charged that the Russian president's statements were worrying, said Igor M. Romanov, a spokesman for the Kazakh president.

Along the Russian-Kazakh border, where many ethnic Russians live, "the situation is complicated," Mr. Romanov said. "There have been no sharp outbreaks or unpleasantness, but there are rallies and manifestations ... by people who are in favour of seceding from Kazakhstan and joining Russia."

Mr. Yeltsin sent Mr. Rutskoi to the Kazakhstan capital of Alma-Ata, and Mr. Gorbachev also sent a special delegation to try to defuse the situation.

More join independence spree

(Continued from page 1)

ports of injuries. The Black Beret troops have been accused by authorities in Latvia, Lithuania and Estonia of enforcing the policies of Kremlin hardliners opposed to independence for the Baltics.

Major Boleslav Makutinovich said in Vilnius Friday that he had received the directive to disband the units from the Soviet Interior Ministry.

As a further sign of the new times, the former Communist Party newspaper returned to newstands Saturday after failing to publish for a week. Its staff has assumed control of the paper from the party after Mr. Yelstin suspended its publication for supporting the coup.

The New Pravda published a Western political cartoon that showed a big Yelstin shaking hands with an obviously inferior Gorbachev while welcoming him back to the Kremlin. The former Communist Party paper pledged to be bolder.

"We shall endeavour to work so that the next junta, should it ever come, will make Pravda the first to be suspended," wrote commentator S. Oganin.

The consequences of the August coup continue to shake what is left of the Soviet state, prompting a purge of the armed forces, the KGB and government departments that failed to resist the

comp.

Russian politicians warned Saturday against any acts of revenge. "A sweeping persecution can only help the accomplices of the putschists," radical deputy Tolman Gdyan told Trud newspaper. "We must not lose our heads. We must not unleash a mass terror on a large number of people."

Sacked Foreign Minister Alexander Bessmertnykh denied charges by Mr. Gorbachev that he had been "passive" in the face of the three-day takeover by hardliners. He said he had had no chance to present his version of events.

"This is a direct copy of what happened in 1937. Even when the president says the emergency committee are criminals — he has no right to do that (before a trial)," Bessmertnykh told the Kommunistyaya Pravda newspaper.

Mr. Gorbachev said after his return from the Crimea, where he was held for the three days of the coup, he wanted to see no repeat of 1937, the highpoint of Josef Stalin's bloody purges.

Members of the emergency committee are being held at one secret centre along with other close conspirators, including former parliamentary Chairman Anatoly Lukyanov. All are charged with treason — a crime carrying a possible death sentence.

Shiites quit Hrawi's cabinet

(Continued from page 1)

and feelings" by sending representatives to Libya.

Political sources said the resignation of Mr. Hrawi and Mr. Baydoun was decided during an emergency meeting for Amal's politburo on Friday.

But the sources ruled out any possibility that Mr. Hrawi's government would collapse. They expected Syria, the major power broker in Lebanon and with an estimated 40,000 troops in the country, to intervene and resolve one of the worst crises to hit the administration since it was formed last December.

Mr. Hrawi said the resignations were not aimed against Damascus or its role in Lebanon but he criticised Mr. Hrawi, the closest president to Syria in Lebanon's history.

He also voiced his opposition to Lebanon's acceptance to participate in the U.S.-proposed peace conference in the Middle East, saying it hampered chances of securing an unconditional

Israeli withdrawal from South Lebanon.

Mr. Hrawi's initial attack on the government prompted Mr. Hrawi and Mr. Karami to scrap plans to attend the Amal-organised rally in South Lebanon to mark the 13th anniversary of Imam Sadr's disappearance.

Imam Sadr founded Amal in the mid 1970s.

Some ministers, including Druze leader Walid Jumblatt, also a minister of state, and religious leaders attended the rally.

Previously unknown groups in telephone calls and statements to international news agencies in Beirut said Friday they would retaliate unless Imam Sadr's disappearance was investigated.

Mr. Karami said on Friday the government considered the case as a major problem and Colonel Qadafi had shown he was ready to help any investigations.

Mr. Hrawi's 30-member unity cabinet includes all the country's warlords or their representatives. It was formed in line with the Taif pact that ended 15 years of civil war.

Team to probe Bubiyan incident

(Continued from page 1)

man, citing Kuwaiti accounts, said that after a Kuwaiti challenge the Iraqis opened fire with machine-guns from bunkers used by their army during the war. He said Kuwait reported holding 59 Iraqis.

On Friday, the Security Council authorised its president to warn Iraq against any repetition of recent incursions including the landing on Bubiyan, which dominates Iraq's only outlet to the Gulf.

Kuwait's newspapers contended on Saturday the incident showed Iraq still threatened the region. Sawt Al Kuwait said the people of Kuwait "did not need the aggression on Bubiyan to realise that the regime in Baghdad is still continuing the war it launched against us on Aug. 2."

Kuwait wants the United States and Britain to keep military bases there. The two countries say they have no plans to station ground troops but will keep a naval presence in the Gulf.

On Tuesday Washington said it would keep about 1,500 soldiers in Kuwait several months longer than scheduled.

The Syrian government newspaper Al Thawra said Saturday that Iraq aimed "at making the Arab states busy in a marginal battle at a time when these states are making preparations for their participation in the international peace conference."

Al Thawra claimed Iraq "is reaffirming its hostile intentions against the independence and sovereignty of Arab states."

Iraq is opposed to plans for an October peace conference on the Middle East, saying that Palestinian interests will be undermined in talks with an agenda set by Israel.

Tensions on China's fringes pressure hard-liners

By John Pomfret
The Associated Press

CANTON, CHINA — Tensions similar to those ripping apart the Soviet Union are threatening China — from its coastal south, bursting with entrepreneurial energy, to its restive, isolated regions of Tibet and Xinjiang.

But don't expect the world's last totalitarian giant to fall apart. China's ethnic homogeneity and centuries-old Confucian creed, which teaches that the state is to be obeyed and respected as one's father, will do much to keep the country united.

The army's lack of compunction about using deadly force — exhibited during the crackdown on Tiananmen Square province democracy demonstrators and in both Tibet and Xinjiang against rebellious indigenous peoples — also should play a role.

Like the Soviet people, many Chinese are disillusioned with the promises of communism. T-shirts reading "I'm really tired" or

simply "Tiananmen" — silent tributes to the crushed 1989 pro-democracy movement — are common.

China's Communist Party, the world's biggest, appears divided over how to proceed. The country's lumbering red army, like its Soviet counterpart, is torn between a desire to maintain political power and the need to develop into a more professional fighting force.

China's minorities, who inhabit lands stretching from the Himalayas in the southwest to the silk road deserts of the west, are chafing at the bit. Many reject Peking's long-nurtured concept of unity among the Han Chinese and China's 55 minorities.

A 10-day trip through two provinces in southern China as a hard-line coup failed in the Soviet Union revealed a people rocketing headlong into capitalism, presenting Peking's aging leaders with possibly their greatest challenge since China opened its doors to the West 12 years ago.

The economy of Guangdong Province, for example, is now almost 90 percent controlled by market forces. The central government only accounts for 5 percent of investments in the province, of which Canton is the capital.

That means that provincial and city governments can now decide what to do with their money and no longer need to rely on Peking. But the relative independence of Guangdong and Fujian provinces should not be confused with the separatism of the Baltic states or the truculence of the Ukraine.

For one, unlike the Soviet Union, more than 92 percent of China's population belongs to the same ethnic group. The Han Chinese are united in their use of a common script and their allegiance to Confucian ideas about family and state.

"We are all Chinese," says Lei Yu, the vice-mayor of Canton, a man famed throughout his country as the mastermind of an inter-

national car smuggling scam that brought in millions of dollars. "We're just a little more creative down south."

In addition, although China has spent much of its history in pieces, the idea of a unified Chinese state has been one of its cultural mainstays since Emperor Shi first united the country in 221 B.C.

"It's a case where the culture is too strong," says Pauline Loong, head of China Research for the Jardine Fleming Investment Bank in Hong Kong. "Disintegration is impossible in China."

Unlike in the Soviet Union, China's Communist Party has stood at the vanguard of the country's reforms.

In Guangdong, at least, the party seems to have its fingers in all successful experiments.

Yuan Lisheng, vice-mayor of the Boomtown City of Dongguan and a high-ranking party member, proudly shows his two name cards: one as vice mayor, the other as managing director of a

multimillion-dollar trading company in Hong Kong.

"The party has worked itself into the system," says Ms. Loong. "Indeed, the party is the system."

The party also has been basically independent from other communist movements since it broke with the Soviet party in the late 1950s.

Still, it remains to be seen how the party will cope with increased international attention now that it remains the lone, big communist power.

"No matter what may happen in the Soviet Union or in the entire international situation, the Chinese people will continue firmly and unshakably along the path they have chosen," said Yuan Mu, spokesman for the State Council, or cabinet.

As for Xinjiang and Tibet — China's impoverished provinces in its far west — the Soviet disintegration could very well fuel ethnic tension. But the results appear likely to differ starkly

from the Soviet experience.

Soviet central authorities — before being thrown into turmoil by the failure of last week's coup — were relatively careful in their occasional use of force against secessionist nationalists.

Chinese authorities, however, have shown no hesitation in bringing the jackboot of martial law down on restive minorities.

China imposed 13 months of martial law in Tibet starting in March 1989 and Buddhist monks who led anti-Chinese protests remain in jail.

In Xinjiang, state-run television reports say, 6,490 people were convicted of fomenting rebellion in the first half of 1990.

These minorities received a stern warning Monday from aging hard-liner Vice President Wang Zhen, who traveled to the northwestern province.

A front-page report in the party's People's Daily said Mr. Wang described China's minorities and the Han Chinese as "36 peoples united as one fist."

After embracing Baltics, West cooler towards other republics

By Andres Wolberg-Stok
Reuters

BRUSSELS — The West, aghast at the speed of the Soviet Union's disintegration, faces a dilemma after rushing to embrace the Baltic republics — should it also recognise the other republics seeking to spin free from Moscow?

"The answer is no — I think," said a spokesman for the Netherlands, current president of the European Community (EC).

The 12 EC foreign ministers chose their words with care in a statement on Tuesday welcoming Lithuania, Latvia and Estonia back into the ranks of sovereign nations.

They stressed that the three Baltic states had been annexed by Stalin's Soviet Union in 1940 and were now merely restoring their independence.

Although they decided against any explicit warning in their communiqué, they agreed to quash any hopes other breakaway republics might have of a similarly warm reception.

"What we have done today as regards the Baltic states does not carry any implications for how we will handle the relationship with the other republics of the Soviet

Union or indeed Yugoslavia," British Foreign Secretary Douglas Hurd said.

"No other republics of the Soviet Union were independent between the two world wars, were members of (the United Nations' predecessor) the League of Nations, or (had their) absorption by the Soviet Union never accepted by many nations," Mr. Hurd added.

Germany's Hans-Dietrich Genscher, the Netherlands' Hans Van Den Broek, Denmark's Uffe Ellemann-Jensen and others took a similar line.

The EC is baffled by the pace at which Europe's political map is changing after the failure of the hardline coup against Soviet President Mikhail Gorbachev last week.

"Only four days ago, few would have thought Baltic independence would be a reality within a few days," one EC diplomat said.

Lithuania declared its independence in 1990, but Latvia and Estonia did so only a week ago. Byelorussia and Moldova have since followed suit and Georgia, Armenia and the Ukraine are also moving to break away.

One problem facing the West is that it cannot tell yet how far the

Soviet Union's central structure will continue to crumble, and therefore who needs to be coddled and who can safely be antagonised.

The decision by Western countries to recognise the Baltics without waiting for Moscow's blessing angered Mr. Gorbachev, struggling for his political life after Russian President Boris Yeltsin's meteoric rise during the coup.

"Both the Baltics and the countries have taken hasty decisions," Mr. Gorbachev said.

The Soviet leader's new union treaty to reshape Moscow's relationships with the republics, which was about to be signed when the hardliners tried to topple him, remains largely a mystery for the West.

"We don't know what the contents will be," Mr. Van Den Broek said.

The sudden appearance on Europe's political map of half a dozen new countries would create not only untold diplomatic complications but also economic problems, officials say.

In its role as leader of Western efforts to help former Soviet bloc countries switch to market economies, the EC has already committed billions of dollars to reform in East Europe.

Despite its wealth, it is now beginning to wonder whether its chequebooks can support much more democracy to the East.

Experts at the EC's executive European Commission estimate the Baltics alone will need between two and three billion dollars a year in aid.

The Netherlands and Britain were initially reluctant to immediately recognise the three states, echoing Washington's doubts about the practicalities of independence and fearing it might set a precedent for Yugoslavia's warring republics.

That argument has come full circle in just three weeks.

As recently as the beginning of August, other community states turned down German suggestions that Croatia and Slovenia should be recognised, on the grounds that it would set a precedent for the Baltics.

There may be more difficult decisions to come.

"Now no one is talking about recognising just Croatia and Slovenia anymore — they're talking about recognising four (Yugoslav republics) with Bosnia and Macedonia," Spanish Foreign Minister Francisco Fernandez Ordonez said.

Americans don't do coups, but some think it isn't unthinkable

By Mike Feinsilber
The Associated Press

WASHINGTON — Americans could sit back last week and watch a coup unfold in the other superpower, confident that it couldn't happen here. Or could it?

On this fundamental question — whether a handful of conspirators could seize the U.S. government and take over — historians are surprisingly uncertain and divided.

Some point to 200 years of experience, in which power routinely changed hands in times tough and placid, as evidence that American fidelity to constitution-

al order is so great that no ideologically driven conspirator could ever find enough people in high places to go along.

Others are not so sanguine. These are tranquil days in America, but there have been times when mobs roamed the streets and citizens worried about the durability of democracy.

One national division was so great it took a civil war to put the country together again. Homegrown fascists had millions of followers during the depression. A president feared to go anywhere in public except to military bases during Vietnam frenzy, and crowds called him a murderer.

Four presidents were killed and

six other assassination attempts failed, but none of those events resulted from seize-the-government conspiracies.

Such conspiracy is not in the American character, said Joan Hoff, a historian at Indiana University.

"What we have that the Soviets have never developed," she said, reflecting on the failed putsch in the Soviet Union. "Is the institutionalised succession of power. We are totally imbued in it."

Historian Howard Zinn, author of "A People's History of the United States," is not so persuaded that it could not happen here under the right circumstances.

"I would like to think that the American people are so resistant, so imbued with democratic ideas that the country could not be taken over by some military or political clique," Mr. Zinn said, "but I don't think that's so."

"I don't think it is improbable given the volatility of public opinion and the power of important people to con or use the media in the way the administration used the media during the Gulf war to move public opinion from opposition to 85 per cent support of military action in a number of days."

"Coups are not simply done by force," he added.

Death of communism deprives U.S. right of chief bogeyman

By Irwin Arief
Reuters

WASHINGTON — Soviet communism's sudden death has deprived the U.S. political right of its principal bogeyman, sending conservative leaders scrambling for new goals and strategies.

"It's a problem for conservatives because the movement was in large part held together by opposition to communism," said Paul Weyrich, a prominent figure on the U.S. far right.

"The challenge is now to put things in the positive, what the movement is for, rather than the negative, what we oppose. It will be quite a challenge," said Mr. Weyrich, who heads the Washington-based Free Congress Foundation.

For President George Bush, it was a moment to savour when he declared global communism dead following a failed coup in the Soviet Union. The coup attempt triggered rapid-fire change in Moscow and a renewed swell of anti-communist feeling around the world.

Communism, which ultra-conservatives have blamed for everything from fluoridated water to teen-age sex — let alone a desire to dominate the world — is dead in all but a few tiny pockets of resistance worldwide such as Fidel Castro's Cuba. Mr. Bush told reporters on Monday from his Maine vacation home.

"It clearly is the death knell of the communist movement around the world," Mr. Bush said. "Those days are gone now and so the American people should take great pleasure, regardless of politics."

But for the far right in particular the moment was bittersweet, combining joy over a long-sought victory with a sense of dread for the future.

It was the communists who Barry Goldwater had in mind with his 1964 U.S. presidential campaign slogan: "Extremism in defence of liberty is no vice."

Some two decades later the right was still at it as President Ronald

Reagan dubbed Moscow the "evil empire."

Some in the conservative movement today maintain that communism continues to survive in one form or another dictating a change in tactics rather than a whole new enemy.

"Communism is still alive in Havana, Peking and American universities," said retired Lieutenant-General Daniel Graham, only half in jest.

"But of course it's awful sick," said Lt.-Gen. Graham who heads High Frontier, which lobbies for stronger U.S. defenses.

Given the Soviet Union's greatly diminished military power "I hope that we have enough sense now to take care of what threats we really see, which are quite different and require different types of military weapons," added Lt.-Gen. Graham. His group's current goal is to build a space-based system to defend against ballistic missiles.

Others in the movement insist communism won't be missed.

"This is something we've been fighting for all our professional lives," said Kim Holmes, director of Foreign Policy Studies for the Heritage Foundation, a right-wing Washington think tank.

"We don't need bogeymen; we just need things to support. We've got democracy breaking out all over the place and it's a great time," Mr. Holmes said.

Of course not only conservatives will miss communism.

"I feel sad for the end of communism," said a Florida liberal activist who asked that she not be identified by name. "It's depressing to think that our system, with all its failings and problems, is now the model for the world."

But Roger Hickey of the Washington-based Economic Policy Institute, a liberal economics think tank, said communism's demise would simply refocus the debate.

"It gets rid of an artificial bogeyman that's been used in the West to beat down reforms," Mr. Hickey said.

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Financial Markets

U.S. Dollar in International Markets

Currency	NEW YORK CLOSE Date: 29/8/91	NEW YORK CLOSE Date: 30/8/91
Sterling Pound	1.6834	1.6809
Deutsche Mark	1.7438	1.7470
Swiss Franc	1.5235	1.5245
French Franc	5.9795	5.9325
Japanese Yen	137.63	136.83
European Currency Unit	1.1848	1.1755

* USD Per STG
** European Opening @ 8:30 a.m. GMT

Reurocurrency Interest Rates

Currency	1 MTH	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.56	5.82	5.75	5.93
Sterling Pound	10.93	10.68	10.56	10.50
Deutsche Mark	9.80	9.18	9.31	9.31
Swiss Franc	8.06	7.47	7.81	7.75
French Franc	9.12	9.31	9.37	9.50
Japanese Yen	7.53	7.18	6.93	6.71
European Currency Unit	9.68	9.71	9.81	9.81

Interbank bid rates for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Metals	USD/Oz	JD/Gm	Metals	USD/Oz	JD/Gm
Gold	348.25	6.80	Silver	3.53	.090

* 21 Karat

Central Bank of Jordan Exchange Rate Bulletin

Currency	Bid	Offer
U.S. Dollar	.690	.692
Sterling Pound	1.1587	1.1645
Deutsche Mark	.944	.964
Swiss Franc	.4515	.458
French Franc	.1162	.1168
Japanese Yen	.5037	.5062
Dutch Guilder	.3503	.3521
Swedish Krona	.1085	.1090
Italian Lira	.0529	.0532
Belgian Franc	.01917	.01927

Other Currencies

Currency	Bid	Offer
Lebanese Lira	1.7850	1.7900
Libyan Lira	.0770	.0780
Saudi Riyal	.1835	.1842
Kuwaiti Dinar		
Qatari Riyal	.1865	.1880
Egyptian Pound	.2100	.2300
Omani Riyal	1.7450	1.7600
UAE Dirham	.1865	.1880
Greek Drachma	.3400	.3500
Cypriot Pound	1.4300	1.4400

CAR Indices for Amman Financial Market

Index	21/8/91	Close	28/8/91	Close
All-Share	107.17		105.61	
Banking Sector	100.32		98.37	
Insurance Sector	117.85		116.56	
Industry Sector	114.32		112.80	
Services Sector	128.78		128.98	

December 31, 1990 = 100

Inflation in Albania exceeds 25 per cent

TIRANA (R) — Inflation is currently running at more than 25 per cent in Albania where the government is trying to change from a Stalinist command economy to a market system.

The country's state bank has issued a new 100-let (36.50) note, the first in Albania's history, reflecting the loss of value of the national currency. Albania's biggest note was 50 lets (33.25). Economists expect Albanian

inflation to accelerate following a 25 per cent increase in average salaries.

The wage hike was decided in July by the government to ease social tension.

According to the government's agreement with the trade unions, another 25 per cent rise in salaries is scheduled for this month, which will fuel inflation further as production has fallen in recent months, economists said.

Moscow officials say communists hold millions of dollars abroad

MOSCOW (R) — Moscow's liberal city leaders said Friday the Communist Party had millions of dollars hidden in foreign bank accounts, and called on countries to freeze party assets abroad.

"Russian President Boris Yeltsin has written a decree which includes an appeal to governments of the world to give information about party assets abroad," Alexander Muzykantsky, administrator for central Moscow, told a news conference.

Moscow Mayor Gavril Popov said party assets were also likely to be in bank accounts held by joint ventures established between foreign and Soviet partners.

City officials also said they had opened the first archives at the Communist Party's central headquarters, sealed with the consent of President Mikhail Gorbachev, but gave no details of their contents.

After a presidential confiscation order, local officials across the Soviet Union have begun sealing Communist Party newspaper offices and finding new uses for party buildings.

Mr. Gorbachev, angry over party complicity in a push by hardliners, quit as communist leader on Aug. 24 and ordered the handover of party property to

city governments.

But Moscow city officials stressed they were not claiming direct ownership of the property, but simply taking inventory.

Final ownership would be determined either by a law on nationalisation of party property or by its voluntary surrender to the city, they said.

Mr. Muzykantsky said party assets in the Soviet Union were estimated to be worth 5.4 billion roubles (\$3 billion at the commercial rate). Party publishing houses were valued at 3.4 billion roubles (\$1.8 billion).

A compound of buildings housing the Communist Party headquarters was alone estimated to be worth one billion roubles (\$550 million).

"But all these figures are based on fixed state prices, and have nothing to do with real market value," Mr. Muzykantsky said. "Taking into account the commercial price, the value will be much higher."

City officials said the buildings could be used for public housing, hospitals and nursing homes. Others could be turned into headquarters for the country's numerous new political parties now fighting to take the communists' place.

Judge approves plan for Greyhound Lines to avoid bankruptcy

HOUSTON (R) — Greyhound Lines Inc. cleared its last major hurdle to emerging from bankruptcy Friday when a judge approved a reorganisation plan that calls for the only nationwide U.S. bus system to become a publicly owned company.

Under the plan, creditors will get 95 per cent of the company, with the remaining five per cent going to employees, Greyhound spokesman Bill Kula said.

U.S. bankruptcy court judge Richard Schmidt in Corpus Christi, Texas, gave his blessing to the plan late Friday after

listening to two days of legal arguments earlier this week.

The reorganisation plan, he said, "provides for new management and new ownership and a far healthier enterprise."

Greyhound President Frank Schmieder said he expects the new stock to be issued "by late September or late October," following approval from the Federal Securities and Exchange Commission.

He also said he expected the company to be profitable for the rest of 1991.

Japan has 5-point plan to restore confidence in markets

TOKYO (R) — Japan's Finance Minister announced Saturday he has drawn up a five-point plan to help restore confidence in the country's scandal-ridden financial markets.

Finance Minister Ryutaro Hashimoto told parliament that the scandals in which brokerage firms compensated favoured clients for investment losses have not only undermined general investor trust in the market but also created a widespread sense of "unfairness" among the public.

"I really regret that," he said. He told a lower house special panel set up to investigate the scandals that the ministry has devised a plan to help ensure the integrity of Japan's markets.

The plan would aim to improve the transparency of the securities markets, reinforce inspection and supervisory systems, emphasise the principle of investor responsibility, review administrative regulations and impose stiffer penalties on transgressors. He did not elaborate.

Mr. Hashimoto said an increasing number of critics were demanding that those investors who were improperly compensated for investment losses by brokerages should return the funds they received in compensation.

"But we have no authority to get them to do this... it's not possible under the current legal

framework," he said.

Improving the integrity of the nation's securities markets based on the five-point programme would be the best way of responding to these criticisms and demands, Mr. Hashimoto said.

The ministry has already pledged to review the present securities exchange law.

Separately, chairman of Japan's Fair Trade Commission, Setsuo Umezawa, told parliament Saturday that investment loss compensation by brokerage houses to favoured clients may constitute an unfair trading practice under Japan's anti-monopoly law.

But Mr. Umezawa said that because securities firms are under direct supervision of the ministry of finance, the ministry should be primarily responsible for the case.

Referring to the planned creation of a supervisory system over domestic financial markets, Mr. Hashimoto said it was necessary to set up a system that could oversee both the securities and banking markets because the two were becoming more interwoven.

Public television NHK reported that Mr. Hashimoto pledged to tighten controls on non-bank financial institutions.

5-year plan fails

U.N. chief wants African debt cancelled, aid increased

UNITED NATIONS (R) — Africa faces a crisis of "tragic proportions" and wealthy nations should cancel the continent's rising debts and increase their aid, U.N. Secretary-General Javier Perez de Cuellar has said.

Five years after U.N. members promised to revive Africa's devastated economies, he said the continent could never develop under a debt burden of \$270 billion and cited a shortage of international aid and a fall in commodities prices.

In a major report on the U.N. Africa recovery programme, he proposed that rich nations cancel official debt, as was done for Egypt and Poland, and boost their assistance.

"By the end of 1990, it had become evident that the African economic crisis had indeed deepened..." he said. "On June 1, 1986, the U.N. General Assembly adopted a five-year programme which was seen as a watershed in committing wealthy nations to supply resources for development. In turn, African nations promised to restructure their economies, reduce waste

and reallocate government funds.

The report said resources fell far short of what was needed and many restructuring programmes were half-hearted and short-sighted. It was prepared for a review of the programme in General Assembly sessions from Sept. 3 to 13.

Mr. Perez de Cuellar proposed that the assembly now set concrete targets rather than general goals. These include:

— Doubling per capita income by the year 2015, entailing a six per cent annual economic growth rate. Even then annual income would still be only about \$700 in most nations.

— Increasing aid to \$30 billion by 1992 from \$21 billion in 1989 and continuing to raise it by four per cent annually until the year 2000.

— Taking "bold" measures to reduce Africa's debt, which in 1990 cost at least \$23 billion to service. This includes cancelling official government debt and semi-official export credits and reducing debt owed to multilateral institutions. Private commercial debt should also be written

down and reduced.

— Setting up an African diversification fund for technical assistance to ease a chronic dependence on primary commodities.

Nine out of 10 African countries depend on commodities for 70 per cent or more of their exports, compared with seven out of 10 in Latin America and five out of 10 in Asia.

Only six African countries — Gabon, Ghana, Mauritius, Morocco, Sierra Leone and Tunisia — have significantly reduced this dependence since 1986, the report said.

Reviewing the past five years, Mr. Perez de Cuellar said the increased resources that wealthy nations agreed to supply in 1986 did not materialise and real net flows of funds actually fell from \$24.6 billion in 1986 to \$23.3 billion in 1990.

Despite numerous initiatives and important moves towards democratisation, he said, restructuring by African governments often suffered from political instability, military conflicts and ineffective policies to mobilise domestic resources.



Javier Perez de Cuellar

In addition, many African nations, spurred on by rich countries, focused on short-term measures such as foreign exchange earnings and diversification rather than health, education and employment so that "human conditions worsened considerably," the report said.

As a result, many who could leave did so. The report cited an alarming brain drain of 50,000 to 60,000 highly-qualified Africans who left the continent since 1986.

Kuwait expects higher oil production, exports this month

AHMADI, Kuwait (R) — Kuwait, bouncing back from Gulf war devastation, said Saturday it would export more crude next week and expected oil production to climb in September.

"The end of this year we are talking about 100,000 barrels per day (b/d)," Oil Minister Hamoud Abdullah Al Raqba said. "Hopefully by July 1992 we will produce close to 800,000 b/d."

He said Kuwait's current production of 170,000 b/d would increase by about 10,000 b/d by mid-September. Before the war it could produce up to two million b/d.

Sheikh Raqba was talking to reporters at a ceremony marking the reopening of the Ahmadi refinery, the biggest in Kuwait, which resumed operations Tuesday for the first time since Iraq's

invasion in August last year.

He said one million barrels of crude would be exported to either the United States or Japan in next week, the third such shipment in a month.

He said the emirate had stockpiled two million barrels for export.

Sheikh Raqba said the initial output of 110,000 b/d at Mina Al Ahmadi refinery will enable Kuwait to stop importing almost all refined products, including petrol and fuel for power and desalination plants.

But officials at the refinery, which had a capacity of 370,000 b/d before the Iraqi invasion, said Kuwait would still have to import small quantities of petrol.

Output from Ahmadi is being

processed by crude distillation unit number 4. Two other units, put out of action during the war, are due to go on stream in June next year.

Iraqi soldiers barricaded themselves inside the refinery south of Kuwait City during the war. The refinery was badly damaged in fighting between the U.S.-led allies and the Iraqis.

Kuwait, a major exporter of refined products before the invasion, will resume exports in December when Mina Al Ahmadi refinery opens with a daily capacity of 100,000 barrels.

Mina Al Ahmadi had a pre-invasion capacity of 200,000 b/d. Its main control room was packed with explosives and blown up by Iraqi soldiers as the allies advanced in February.

'The mood for gold is down'

LONDON (R) — Gold prices hit a 14 month low Friday as dealers, disappointed by the metal's dull performance during the Soviet crisis and worried by speculation about possible sales by Moscow, unloaded bullion heavily.

European dealers and precious metal analysts said they saw little reason to buy gold, adding it might keep on falling.

Prices surged to \$365 an ounce in the first hours of last month's failed Soviet push, but tumbled to an afternoon fixing in London on Friday of \$347.40, its lowest afternoon setting since June 14, 1990.

"There is general professional pessimism about the precious metals, the mood is down," a London bullion dealer said.

Andy Smith, analyst with Swiss bank UBS, said most of the fall was due to dealers selling gold for future delivery in the hope of being able to buy later at lower prices to fulfill the contracts.

Gold, once considered a safe haven in times of crisis, failed to live up to its reputation during the Gulf crisis and the abortive Soviet coup.

It hit \$850 an ounce in 1980 on concerns about rising oil prices, inflation and the U.S. hostage crisis in Tehran.

Also overhanging the market Friday was the fear that up to 250 tonnes of gold held in the West by the Soviet Union could be sold in coming weeks.

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More deaths reported in fresh upsurge of fighting in Croatia

BELGRADE (R) — At least two people were reported killed Saturday in a new upsurge of fighting in the besieged Croatian town of Vukovar.

Yugoslav News Agency, Tanjug, quoting Zagreb Radio, said two died and 14 were wounded. The Croatian News Agency, HINA, reported three killed and 20 injured.

HINA said Croatian militiamen trapped in the town by army units and Serb guerrillas held their ground in a fierce overnight attack by land and from gunboats on the Danube River.

The violence flared again as deadlines approached for the warring sides in Yugoslavia's ethnic conflict to agree to peace talks and for the federal army to stop taking part in the fighting.

Officials in Vukovar, cut off and without water or electricity, could not be reached to comment on the agency reports, which did not identify the casualties. Belgrade Radio said the town was quiet later Saturday morning.

Some 200 mortar bombs fell on one part of Vukovar, which has been under heavy bombardment for almost a week, HINA said. It said four army tanks were destroyed, two were damaged when they drove over mines and others were stopped at approaches to the town.

Zagreb Radio said a policeman was killed and five civilians were injured in a mortar attack on the village of Korodj between Vukovar and Osijek, where officials

denied reports of heavy overnight shelling.

The European Community has set a Sunday deadline for all sides to agree to allow impartial ceasefire monitors into Croatia and to peace talks.

The EC firmly blames Yugoslavia's largest republic Serbia for continuing the fighting in which more than 300 people have died since Croatia declared independence two months ago.

The federal government, Croatia and three other republics have accepted the EC proposals. Serbia, which rejects the charges against it, has yet to announce its position.

Another deadline, set by Croatian President Franjo Tudjman, was due to expire Saturday night.

He has demanded that the army, which has been fighting increasingly openly on the side of Serb guerrillas, must pull back to barracks by the end of August or be considered an army of occupation in his republic.

Mr. Tudjman Saturday chaired a session of the Croatian government, which has threatened general mobilisation if his demands are not met.

Federal commanders in the Croatian capital Zagreb told a news conference Saturday they were not cowed by such threats and said even greater violence could follow.

"If there is a decision about mobilisation, this means that Croatian policy is one not of

peace but of escalation and we will not act as we did in Slovenia where we did not respond with adequate force," Major General Milan Aksentijevic said.

Slovenia declared independence simultaneously with its neighbour Croatia on June 25. The army was subsequently routed and is in the process of pulling out of Slovenia.

"We're prepared for peace but if the other side wants war, what can we do?" asked Gen. Aksentijevic.

General Ivan Stima said the army "will return to barracks if the competent authorities order it."

Yugoslavia's deeply divided collective presidency is the army's supreme commander and is deadlocked over whether to take any action. President Stipe Mesic said earlier this week the army was acting independently of its supposed political masters.

Zagreb Airport was closed for a time Saturday, local officials said, after the Yugoslav Air Force forced two planes suspected of involvement in arms smuggling to land there.

A Boeing 707 belonging to Uganda Airlines was found to contain 19 tonnes of weapons, including Singapore-made Star 80 rifles, mines and ammunition, Tanjug said.

It quoted air traffic controllers in Zagreb as saying the plane came from Uganda and its cargo was listed as "technical equip-

ment."

A Tupolev 154 of the Romanian Airline Tarom with 20 people on board was also made to land for inspection. The passengers were suspected of being flight crews for military transport planes bringing arms to Yugoslavia but were later released, Tanjug said.

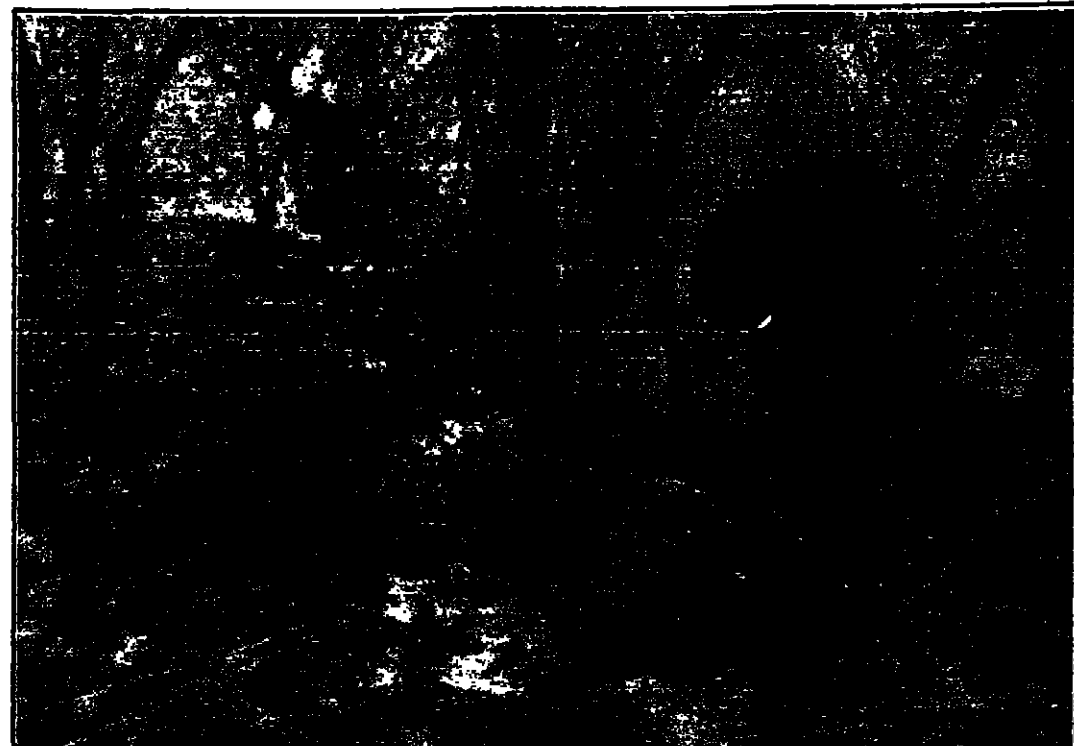
It said both planes were heading for the airport of the Slovenian capital Ljubljana when the air force intercepted them.

Bulgaria has warned Belgrade that attempts to create a large Serbian state could lead to destabilisation of their common border, and said it would take a "more active stand" towards the situation in Yugoslavia.

A Foreign Ministry statement issued overnight by the Bulgaria News Agency (BIA) said Sofia was watching events in its western neighbour with growing concern and there was a danger that the conflict between Serbia and Croatia could spread to other republics.

"(Serbia's) overt intentions to change borders and redistribute territory to implement the idea of all Serbs in one state are extremely dangerous," the statement said.

"As a neighbouring country Bulgaria has the right to react in accordance with the development of the situation especially when facing threats of military conflicts in adjacent Serbia and Macedonia."



Croatian National Guardsmen prepare to repel an attack by Serbian guerrillas supported by the Yugoslav army outside the town of Belje.

Poland's Solidarity government wins clash with ex-Communists

WARSAW (R) — Poland's Solidarity government survived a tense parliamentary confrontation with ex-Communists Saturday when parliament refused to accept its resignation.

The vote strengthened the government of Prime Minister Jan Krzysztof Bielecki and eased a three-day stand-off that had threatened Poland with its worst political crisis since the overthrow of communism in 1989.

It removed the prospect of a period of weak government and political instability in the run-up to the country's first fully free post-war parliamentary elections set for Oct. 27.

Bielecki expressed surprise at the broad margin of his victory but said serious issues raised by the confrontation still had to be settled.

He said the Sejm's (lower house) overwhelming rejection of the government's resignation by 211 to 114 with 28 abstentions opened up a new political situation.

But the government is still facing a crisis over its real ability to exercise power and the cabinet will quickly present proposals to parliament to make its actions more effective, Mr. Bielecki said in a statement.

A government source said the

40-year-old prime minister planned to ask the Sejm for special powers to facilitate its role but gave no details.

President Lech Walesa, other pro-government politicians and the Solidarity-dominated Senate called Friday for the government to be given limited powers to issue economic decrees to keep up the momentum of free market reforms.

The source said an announcement on the government's proposals would be made later Saturday and the cabinet would hold a special meeting Sunday to approve them.

Bielecki presented his government's shock resignation Friday after many deputies criticised its tough, free market economic policies during a budget debate and indicated they would not approve large spending cuts it proposed.

Ex-Communists tabled a resolution for Mr. Bielecki's dismissal during the debate.

"This is all about the government's real ability to take decisions," Mr. Bielecki told the house Friday.

The government's fate hung in the balance overnight after many parliamentary groups indicated they would support his removal. The vote was delayed until Satur-

day when group leaders failed to reach a compromise agreement.

Government supporters took the unusual step Saturday of demanding and getting a named vote — with each deputy handing in a signed voting slip — in a bid to prevent desertions by Solidarity supporters.

The ex-Communists withdrew their motion to dismiss Mr. Bielecki after the house rejected his resignation.

Cuba attacks Bielecki
Meanwhile Cuban state radio Friday attacked Bielecki saying his tough economic policies were a strange way of showing solidarity to Poland's people.

"Before becoming prime minister, Jan Krzysztof Bielecki was a businessman and now he's treating the country the way he used to treat his company. He sacks workers, lowers salaries, raises prices and seeks more and more profits," Cuba's state-run Radio Rebelde said in a commentary.

"It's a very special way of showing solidarity," the radio concluded sarcastically. The acerbic commentary reflected the currently cool relations between Communist-ruled Cuba and previously Communist Poland.

3 top Sri Lankan officials resign

COLOMBO (AP) — President Ransinghe Premadasa, facing impeachment proceedings and a deepening political crisis, accepted the resignations Saturday of three members of his government.

One of the three who quit accused Mr. Premadasa of withdrawing his security guards and placing political rivals under government surveillance.

"My six personal bodyguards were removed last night and after complaining, two bodyguards were returned," former Education Minister Lalith Athulathmudali told a news conference.

Mr. Athulathmudali said another five defectors from the governing United National Party were placed under surveillance.

Meanwhile, photographs of Mr. Premadasa and posters supporting him appeared overnight

in Colombo appeals to "protect the president who is elected by the people."

The crisis broke last week with a petition signed by more than half the 225-member parliament charging Mr. Premadasa with wiretapping, intimidation and using police-state tactics against political opponents. It also accused him of bribery, corruption, and nepotism.

Mr. Premadasa has denied wrongdoing.

The two other ministers who resigned are Deputy Minister for Labour and Vocational Training Lakshman Seneviratne and Labour Minister G.M. Premachandra.

The move was a blow to Mr. Premadasa because the two ministers had joined other cabinet members Wednesday in supporting him.

Mr. Premadasa issued an edict delaying the next session of parliament by three weeks until Sept. 24, apparently to gain time to halt the steamroller moving against him.

The impeachment resolution, submitted to speaker Mohammad Haniffa Mohammed Wednesday, was backed by at least 40 members of Mr. Premadasa's United National Party. The ruling party controls 125 of parliament's 224 seats.

Parliament needs a two-thirds majority to impeach the president. The charges are then submitted to the Supreme Court, which investigates the allegations and reports back to parliament. The legislature needs a two-thirds majority to vote the president from office.

Once removed, the president could face charges in a criminal court.

U.S. concerned over jailed Chinese dissidents

WASHINGTON (R) — The United States is concerned and disturbed over the treatment of two Chinese dissidents jailed for their role in the pro-democracy demonstrations at Tiananmen Square, the State Department has said.

Three members of the U.S. House of Representatives meanwhile left for Peking to lead a delegation that hopes to visit the jailed dissidents, organizers of the trip said.

"We wish to state our deep concern about the situation of Wang Jintao and Chen Ziming, who are imprisoned in the People's Republic of China for no other apparent reason than that they have peacefully expressed their political views," State Department spokesman Richard Boucher said in a statement.

Democratic Representatives Nancy Pelosi of California and Ben Jones of Georgia and Republican John Miller of Washington state are leading the nine-member delegation due in Peking on Sept. 2.

The trip was sponsored by the Newton, Massachusetts-based Democracy For China Fund, founded by dissident Shen Tong, a leader of the June 1989 uprising. The group will seek meetings with government officials and hopes to see both Mr. Wang and Mr. Chen, who have been described as emaciated and suffering from various illnesses, including rashes, chest pains, stomach infections and open sores.

Mr. Wang has been diagnosed as suffering from hepatitis. Mr. Boucher said reports of the treatment of the dissidents are "deeply disturbing."

Japan, N. Korea resume talks after dispute over woman

PEKING (R) — Japan and North Korea resumed normalisation talks Saturday after haggling over a missing woman who Tokyo charged was kidnapped to train a saboteur involved in the bombing of an airliner.

The Japanese want the North Koreans to investigate the case of Yaeiko Taguchi, a Japanese bar hostess and mother of two who disappeared in 1978.

The two sides deadlocked for nearly two days but official talks began late Saturday when the North Koreans agreed to discuss the issue at another time, a Japanese embassy official said.

North Korean negotiators said they had not promised to investigate the case because the woman did not exist.

"She does not exist for us," North Korean official Lee Sam Ro told reporters. "Our principled position remains unchanged."

The woman was forced to help self-confessed North Korean spy Kim Hyung-Hui build a false identity as a Japanese, according to testimony Kim gave Seoul

police in 1988.

Kim said the woman trained her in Japanese language, customs and manners. A Japanese Foreign Ministry source told Reuters earlier this year the woman was believed dead.

North Korea has repeatedly denied any connection to Kim or the 1987 bombing of a South Korean airliner.

Kim and a male North Korean agent posing as Japanese tourists planted a bomb on a Korean Airlines Boeing 707 in November, 1987, just months before the Seoul Olympic Games.

The two left the plane, bound for Seoul from Baghdad, in Bahrain. It blew up over Burma, killing all 115 people aboard.

In Bahrain, Kim's companion committed suicide by swallowing cyanide to escape arrest. Kim, who attempted to kill herself too, was arrested and sent to Seoul.

She was sentenced to death in April 1989 but the sentence was commuted. South Korean authorities released her, saying she was merely a pawn of communist North Korea.

Authorities storm U.S. prison, free hostages

TALLADEGA, Alabama (AP) — Cuban inmates who held a part of a prison under siege for more than a week had randomly chosen three of their nine hostages to kill before a SWAT team stormed the unit to rescue them, prison officials said.

Roger F. Scott, Warden of the Talladega Federal Correctional Institution, said authorities decided to storm the prison after information from "multiple sources" indicated the inmates planned to kill some hostages.

Early Friday, in only three minutes, an FBI assault team used explosives to blow open the door of the prison's maximum-security "Alpha" Unit, seized 121 Cuban inmates and freed nine hostages held since Aug. 21, Scott said.

None of the hostages was hurt, and only one inmate suffered a minor injury, federal officials said.

The Cubans, who left their homeland along with 125,000 others in the 1960 boatlift from Mariel harbour, are under deportation orders for committing crimes in the United States.

Thirty-two of the 121 in the unit were to be deported the day after the uprising began. Some inmates said they would rather die than return to their homeland.

Duke Austin, a spokesman for the U.S. Immigration and Naturalisation Service, said Friday that the 32 would be flown to Cuba Saturday.

"We could not make concessions to terrorists holding hostages — to do so would put the thousands of dedicated professionals working in our prisons at constant risk," Acting Attorney General William Barr said Friday.

Similar sieges occurred in 1987 at federal prisons in Atlanta and Oakdale, after a new round of deportations was announced.

Vietnam welcomes Cambodia peace progress, Sihanouk visit

HANOI (R) — Vietnam has welcomed an agreement by the Cambodian factions to disband most of their armies prior to U.N.-supervised elections, saying it would help bring peace to the region.

Hanoi's Foreign Ministry said in a statement in local newspapers that the deal struck by the Cambodian government and the Khmer Rouge-led guerrilla alliance would pave the way for a resumption of international peace talks in Paris.

"Vietnam acclaims the results of the latest SNC meeting in Pattaya and regards them as the correct course towards a political solution to the Cambodian issue in the interest of peace, stability, friendship and cooperation in this region and the world," the statement said.

It said Vietnam would respect any decision on a settlement by the SNC, a Supreme National Council comprising representatives from Phnom Penh and three guerrilla groups opposing the government.

"(Vietnam) will continue to contribute towards an early political

solution, a just and reasonable one, to the Cambodian problem," the statement said.

Phnom Penh and its guerrilla opponents agreed at four days of talks in the Thai resort of Pattaya this week to cut their troops strengths by 70 per cent, with the remainder handing over their weapons to U.N. personnel and staying in camps.

Bargaining on two deadlocked issues — what electoral system they should adopt and a Khmer Rouge demand that the Interior Ministry's elite police force be disbanded — was put aside until the SNC meets again in October.

Government officials and foreign diplomats in Hanoi said privately that plans by the former Cambodian ruler, Prince Norodom Sihanouk, to visit Hanoi later this year was another important sign of lessening tension in Indochina.

Prince Sihanouk told reporters Friday in Pattaya that he accepted an invitation by Vietnam to visit in December.

The invitation was extended Friday by Vietnamese Deputy Foreign Minister Nguyen Dy

Nien on behalf of President Vo Chi Cong, Hanoi newspapers reported.

Before becoming chairman of the SNC, Prince Sihanouk served for years as formal head of the Chinese- and Western-backed guerrilla coalition that fought against Phnom Penh's pro-Vietnamese government.

"From an enemy to a friend. That's a turning point," one Vietnamese government official told Reuters of Prince Sihanouk's planned trip, asking not to be identified.

One Asian diplomat said the planned visit heralded a new era of peaceful coexistence in Indochina, which has known little peace since the 1940s.

A Western diplomat said Sihanouk's trip to Hanoi would help Vietnam show the world it was contributing to peace in Cambodia, which it invaded in 1978 to overthrow a Khmer Rouge government.

"It's one more sign. No one can deny that Vietnam has played a key role in this (peace) process," he said. In 1979 Vietnamese troops

ousting the Khmer Rouge, under whose four-year rule more than one million Cambodians died.

Hanoi became an international outpost for its action. It was economically and politically isolated by a U.S.-led Western trade embargo meant to force a Vietnamese withdrawal from Cambodia.

Hanoi pulled its troops out in 1989, but the United States and some other Western countries continued to say Vietnam was not doing enough to end the civil war.

Hanoi's Communists were ideological comrades of the more radical leftist Khmer Rouge until their rift in the mid-1970s.

Diplomats in Hanoi say Vietnam has recently accepted a loss of influence over the Cambodian government to make friends with China, its giant Communist neighbour to the north.

The five permanent members of the U.N. Security Council — Britain, China, France, the Soviet Union and the United States — said Friday the Cambodians should sign a final agreement on disarmament and elections in Paris in October.

COLUMN

Money doesn't grow on trees but opposite may be true

LONDON (R) — The adage that money doesn't grow on trees could be stood on its head by plans at the Bank of England to use old bank notes to make garden compost. Compost maker Stuart Gold said an official of Britain's central bank had asked him to mix old notes with farm manure and other materials to see whether the redundant cash could be used to help plants to grow. "I thought he was kidding until he went into details about their problem disposing of old bank notes," Mr. Goldie, from Mid-debrough, in northeastern England, said. The Bank of England shreds 2,000 tonnes of old notes, with a face value of billions of pounds, every year. But it says there is now a shortage of land-fill disposal sites.

Kennedy appears in rape case grand jury probe

WEST PALM BEACH, Florida (R) — U.S. Senator Edward Kennedy appeared as a witness before a Florida grand jury investigating possible obstruction of justice in the rape case of his nephew, William Kennedy Smith. "Senator Kennedy came as a witness. He is not a target or subject of the investigation," prosecutor David Bludworth said. He would not elaborate on secret grand jury proceedings. Mr. Smith, who has pleaded innocent, goes on trial in January on charges of raping a woman at the Kennedy family's Palm Beach compound on March 30. The grand jury is trying to determine whether anyone at the Kennedy estate intentionally misled police as they opened the rape investigation. In brief remarks to reporters outside the courtroom, Sen. Kennedy said he willingly cooperated with the panel. "When Mr. Bludworth's office called, I indicated I'd be glad to do it," Sen. Kennedy said. "We were invited to participate in the proceedings. We hope to have a timely a conclusion as we can," he added. "We answered all the questions of the grand jury, he is cooperating in every way possible with Palm Beach authorities," the senator's press secretary, Paul Donovan, said.

Baby whale loses struggle to survive

MONTREAL (R) — A two-week-old baby whale whose struggle to survive captured the imagination of Quebecers after it was washed up on a river bank died Friday. The baby whale, washed up near the mouth of Canada's St. Lawrence River 11 days ago, was flown to the Quebec City Aquarium, which spared no effort to save him. "His state deteriorated suddenly," said Quebec Fisheries Minister spokesman Guy Bailleau. "It was very difficult for the newborn to survive without his mother." The beluga whale, nicknamed Bob, received constant care. Animal handlers swam round the clock with him to keep him company and ensure that he stayed afloat to breathe. The entire province tracked Bob's progress as the aquarium issued daily updates on his health, his weight and his antics.

John F. Kennedy Jr. wins first trial as prosecutor

NEW YORK (R) — John F. Kennedy Jr. won a conviction Thursday in his first trial as an assistant district attorney, "winning is better than losing," Mr. Kennedy said after the jury returned a guilty verdict in the burglary case. The late president's 30-old son admitted he was nervous during the weeklong trial. The jury convicted David Ramos, 33, of burglarising a woman's Manhattan apartment last Nov. 1. According to testimony, the woman came home from work and found him sitting on her bed, his pockets stuffed with her jewelry. Mr. Ramos faces up to 15 years in prison when sentenced on Sept. 19 for acting State Supreme Court Justice Frederic S. Bertram. The judge often do at a trial's end. Judge Bertram praised Mr. Kennedy and Defence Attorney Joseph Lavine for their "professional manner" in court. Kennedy, who took the bar exam three times before passing, joined the Manhattan District Attorney's office two years ago.

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